

# CITY OF SANDY, UTAH



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR END JUNE 30, 2011



**SANDY CITY**  
**10000 Centennial Parkway**  
**Sandy, Utah 84070**

**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2011**

**Prepared by:**

**Department of Finance**

**Arthur D. Hunter, Director of Finance and Information Services**

**Glade G. Jardine, Treasurer**

**Helen R. Kurtz, Controller**

Cover photo taken by Jim McClintic

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# INTRODUCTORY SECTION

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December 20, 2011

Honorable Mayor and  
Members of the City Council  
Sandy City

The Comprehensive Annual Financial Report (CAFR) of Sandy City (the City), for the fiscal year ended June 30, 2011 is submitted herewith. Utah State law requires that first class cities "present to the governing body an annual financial report prepared in conformity with Accounting Principles Generally Accepted in the United States (GAAP), as prescribed in the Uniform Accounting Manual for Utah Cities." This report, which fulfills this requirement, presents a comprehensive financial picture covering all funds and financial transactions for the year.

This CAFR has been prepared by the City's Finance department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Likewise, the "Notes to the Financial Statements" are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented.

Management of the City is also responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

As required by Utah state law, an annual audit has been conducted by independent certified public accountants. The Independent Auditor's Report, as prepared by Piercy Bowler Taylor & Kern, is included in the Financial Section of this report. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. Information related to this single

audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are published under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

### **Profile of the Government**

Sandy City is the sixth largest city in Utah. The nearby Wasatch Mountains provide water, recreational opportunities, and a scenic backdrop. The I-15 corridor and TRAX light rail line on the west side of the City provide both access to downtown Salt Lake City (approximately 15 miles to the north) and the opportunity to be a commercial center for the south end of the valley. Sandy has experienced tremendous growth in land area and population during the past thirty years. Annexation of previously unincorporated land has resulted in growth from 6.6 square miles in 1970 to nearly 23 square miles today. Annexations combined with new construction resulted in population growth from 6,438 to over 87,572 today.

Since 1979, the City has operated under the council-mayor form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. One of the Mayor's administrative powers is the appointment of the Chief Administrative Officer, Cabinet Officers and various other positions such as the City Treasurer, the City Recorder, and the City Engineer. The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection, park construction and maintenance, street construction and maintenance, public improvements, engineering, building inspection, planning and zoning, administrative services, recreation services, storm drain system construction and maintenance, and street light system installation and maintenance. The City also operates water, waste collection, and River Oaks Golf Course as enterprise funds. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Sandy Redevelopment Agency is reported as a special revenue fund and Alta Canyon Recreation Special Service District is reported as an enterprise fund.

Comprehensive annual budgets are an essential element for the City's financial planning and control. Therefore, budgets are adopted annually (required by Utah state law) by the City Council for all funds except debt service funds used to account for special assessments. Utah state law also requires: 1) a balanced budget for each individual fund; however, Redevelopment Agencies are allowed to incur debt prior to triggering the tax increment revenue thus allowing an unbalanced budget, 2) department expenditures to conform with departmental appropriations, and 3) individual fund appropriations to be overspent only in "emergencies" (natural disasters). Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, storm water fund, and Redevelopment Agency fund, this comparison begins on page 42 as part of the basic financial statements for the governmental funds. For the other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 89.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local Economy.** While the state of Utah begins to climb out the economic recession of recent years, Sandy City is holding its ground as well.

Working with DDRM Great Place, a private development company, the City is generating a plan that will take advantage of the unique opportunity Sandy City has because of the close proximity to four major ski resorts, to redesign, develop and market the Civic Center Corridor as an international destination. The plan addresses branding and marketing of the area and will include a variety of quality mixed uses such as high-rise residential, office, commercial, hotels, and entertainment. New public spaces such as plazas and courtyards along with the addition of parks, open spaces and trails will also be included to enhance the quality of life along the corridor. A key component of the Civic Center Corridor plan is transportation. Significant changes and additions to the current transportation system will be designed to reduce congestion, increase transit ridership and provide seamless access for all modes of transportation. These enhancements will include a transit system re-alignment and extension of Monroe street, improvements to the I-15 corridor and construction of new roads to provide greater access to the area.

The City is also working with other developers to attract business to the area around the newly opened 114<sup>th</sup> South interchange; The most significant new development currently underway is Scheels sporting goods store, which will provide 220,000 square feet of retail space. Not only will Scheels generate new commerce on its own, it will draw other new development to the area.

Additional information about economic factors can be found on page 31 of MD&A.

**Long-Term Financial Planning.** As with the three fiscal years prior to this one, the effects of the deep national recession have again played a major role in shaping the budget for fiscal year 2012. Additionally, the 2010 census numbers dealt a blow to general fund revenue for the coming years. Population data is used in the formula to distribute both sales tax and gasoline tax. Since the 2000 census, the state has estimated that Sandy's population had increased from 88,418 to 97,188. However, the 2010 census revealed that the household size has continued to decline as the City's population has aged. Rather than an increase in population, the census showed a decrease to 87,572. Therefore, sales tax revenue is estimated to decrease \$683,000 during fiscal year 2012 and state road fund revenue that comes from the tax on gasoline is estimated to decrease by an additional \$204,000.

The revenue shortfall will be addressed by reducing the size of the City's workforce by 8.37 full-time equivalent positions for a savings of \$518,000. This will be done by eliminating vacant positions, which is further justified by the decreased workload caused by the economic downturn.

In addition to cost savings, some revenue adjustments will make up for the shortfall. The 2012 budget shifts \$1,200,000 from the water fund to the general fund as a franchise tax without raising water rates to customers. The City Recorder has begun to process passport applications with no additional personnel, from which we expect to collect \$40,000 of additional revenue. The Unified Fire Authority has agreed to pay the City for hazmat services at a rate of \$60,000 annually. And business license fees were reevaluated and adjusted, producing \$45,000 in new revenue.

The additional revenue sources combined with savings from reducing the workforce is sufficient to cover the projected shortfall and leaves \$833,000 to address other issues. The 2012 budget includes approximately \$40,000 to

accommodate department requests, an employee compensation plan costing the general fund \$114,000, and funding for capital projects and equipment projected to cost \$723,000.

**Relevant financial policies.** The City takes pride in maintaining its pay-as-you-go strategy along with reasonable long-term financing to keep the debt burden low. Sandy City seeks the most practical and cost-efficient financing available. Following this policy has allowed the City to maintain a “AA+” bond rating for sales tax revenue bonds, “AA” for general obligation bonds, and “AAA” for motor fuel excise tax revenue bonds. For further information on long-term liabilities, please refer to page 30 in MD&A and pages 66-73 in the notes to the financial statements.

Sandy City is funded through two categories of revenue: taxes and fees. While taxes pay for services provided to the general public, fees are intended to pay for all or part of the costs incurred to provide services to specific groups of citizens. The City is committed to: 1) estimate revenues conservatively; 2) minimize the use of one-time revenue to fund ongoing services; 3) aggressively collect all revenue or taxes due; 4) review user fees, impact fees, license and permit fees, and special assessments annually; 5) waive or defer fees only in accordance with the administrative appeal procedure under standards set by the City Council; and 6) seek to maintain a stable tax rate.

**Major initiatives.** As we prepare for the future, City administration is committed to: 1) maintain and improve basic core municipal services; 2) maintain integrity of residential neighborhoods and preserve property values; 3) preserve and improve public infrastructure and transportation systems; 4) preserve existing and expand additional retail and clean commercial businesses; 5) develop and improve the City’s recreational trails and increase recreational opportunities; 6) develop and maintain community facilities; 7) strengthen communications with citizens, businesses, and other institutions; and 8) maintain a highly qualified employee workforce. These initiatives are reflected in the fiscal year 2012 budget.

The economic future of Sandy depends largely on how well we encourage and maintain the right development. Concerted effort will be made to get the most out of our central business district and the area between 90<sup>th</sup> South and 114<sup>th</sup> South, and between the TRAX line and the freeway. As mentioned above, the City has already begun implementing projects to further this cause, such as the Scheels development and the Civic Center Corridor. In addition to these, Utah Transit Authority (UTA) recently selected a developer for the transit oriented development taking place near 114<sup>th</sup> South. The City continues with the master plan for the super block around Rio Tinto Stadium. If planned properly, these area will fuel the City’s economic engine for the next 50 years.

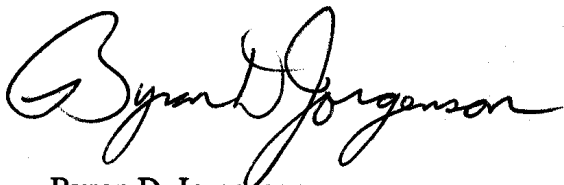
## **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the twenty-fourth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

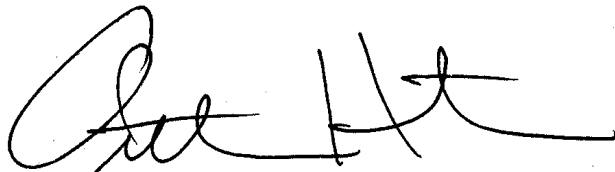
The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2011. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This is the seventh consecutive year the City has received this esteemed award.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of Sandy City, preparation of this report would not have been possible.

**Respectfully Submitted,**



**Byron D. Jorgenson,  
City Administrator**



**Arthur D. Hunter,  
Finance and Information  
Services Director**

# **SANDY CITY**

## **Elected Officials**

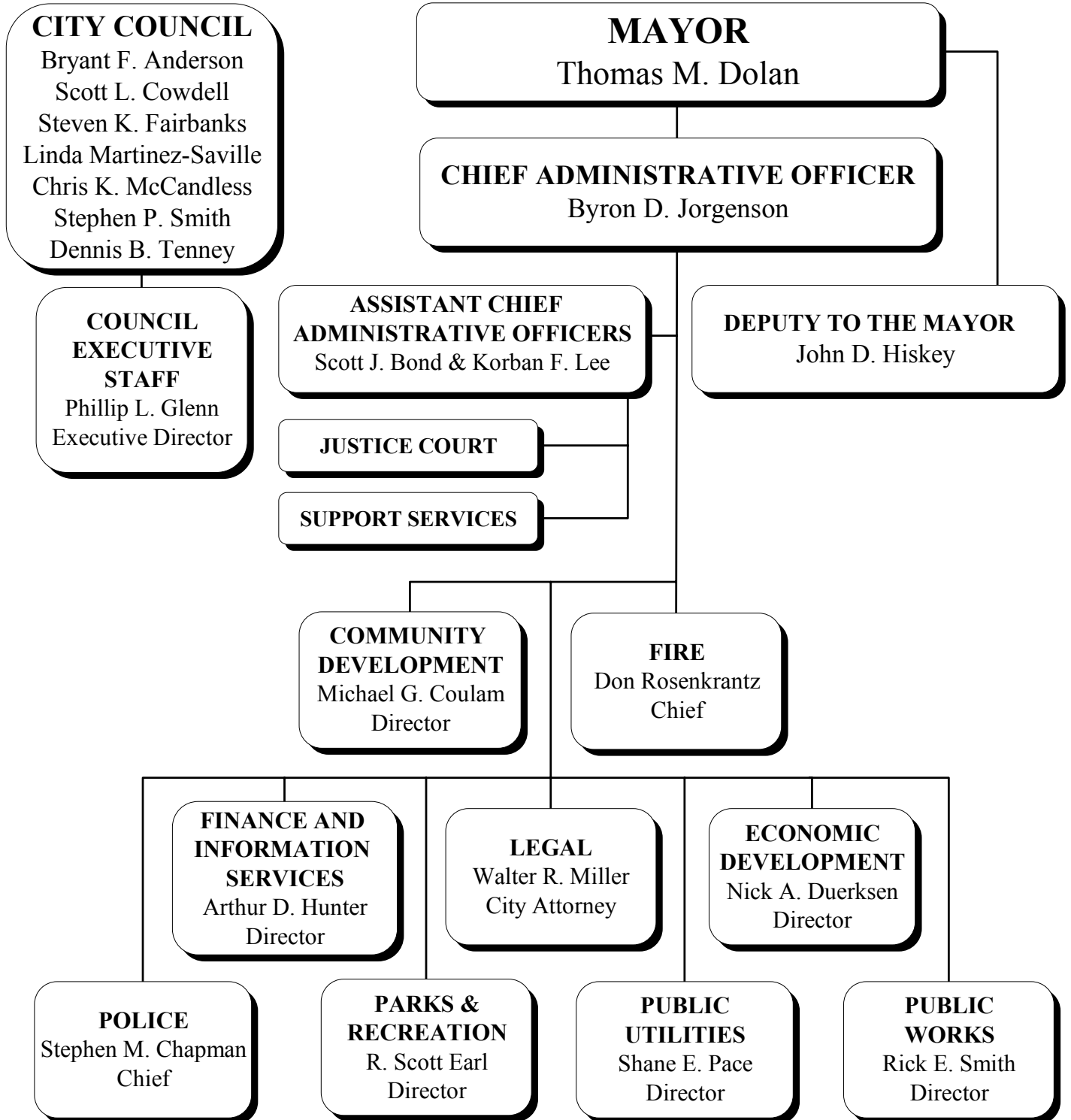
**Mayor ..... Thomas M. Dolan**  
**City Council - At Large ..... Linda Martinez-Saville**  
**City Council - At Large ..... Steven K. Fairbanks**  
**City Council - At Large ..... Stephen P. Smith**  
**City Council - District 1 ..... Scott L. Cowdell**  
**City Council - District 2 ..... Dennis B. Tenney**  
**City Council - District 3 ..... Bryant F. Anderson**  
**City Council - District 4 ..... Christopher K. McCandless**

## **Appointed Officials**

**Chief Administrative Officer ..... Byron D. Jorgenson**  
**Assistant Chief Administrative Officer ..... Scott J. Bond**  
**Assistant Chief Administrative Officer ..... Korban F. Lee**  
**Deputy to the Mayor ..... John D. Hiskey**  
**City Attorney ..... Walter R. Miller**  
**Finance and Information Services Director ..... Arthur D. Hunter**  
**Chief of Police ..... Stephen M. Chapman**  
**Fire Chief ..... Don Rosenkrantz**  
**Public Works Director ..... Rick E. Smith**  
**Public Utilities Director ..... Shane E. Pace**  
**Parks and Recreation Director ..... R. Scott Earl**  
**Community Development Director ..... Michael G. Coulam**  
**Economic Development Director ..... Nick A. Duerksen**

# Sandy City Organizational Structure

## CITIZENS OF SANDY



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sandy City  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Sandison*

President

*Jeffrey R. Enen*

Executive Director



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# FINANCIAL SECTION

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P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL  
STATEMENTS AND SUPPLEMENTARY INFORMATION

Honorable Mayor, City Council and Management  
Sandy City, Utah

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Sandy City, Utah (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, storm water fund, and the redevelopment agency fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the schedule of roadway system condition and maintenance on pages 4 through 21 and 79 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and, therefore, express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Piercy Bowler Taylor & Kern*

December 20, 2011



## **Management's Discussion and Analysis**

As management of Sandy City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 7 of this report.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of fiscal year 2011 by \$534,051,396 (net assets). Of this amount, \$52,503,613 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased \$8,929,514. Of this increase, 70 percent (\$6,246,927) is attributable to governmental activities, mostly from capital projects. Business-type activities provided a \$2,682,587 increase to the City's net assets primarily due to the completion of water line improvements on 10000 South and normal operations.
- As of the close of fiscal year 2011, the City's governmental funds reported combined ending fund balances of \$28,060,183, a decrease of \$7,725,274 in comparison with fiscal year 2010. This is largely due to ongoing storm water projects funded in previous years.
- At the end of fiscal year 2011, unassigned fund balance of the general fund was \$5,161,277, or 12.7 percent of total general fund expenditures.
- The City's total long-term obligations decreased \$5,648,372 (5.2 percent) during fiscal year 2011 as a result of making regularly scheduled debt payments.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, storm water, electric utility, economic development, parks (including landscapes and cemeteries), and culture and recreation. The business-type activities of the City include water, waste collection, River Oaks Golf Course, and Alta Canyon Sports Center.

Although Alta Canyon Sports Center is a legally separate entity from the City (known as the primary government), the Sports Center provides services, which almost exclusively benefit the City. Alta Canyon functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government (see more information about the Sports Center on page 48).

The government-wide financial statements can be found on pages 34-37 of this report.

**Fund financial statements:** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, the storm water fund, and the Redevelopment Agency fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* starting on page 92.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 38-44 of this report.

*Proprietary funds.* The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information services, risk management, payroll management, and equipment management. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course, all of which are considered to be major funds of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 45-47 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-81 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the modified approach for infrastructure. Required supplementary information begins on page 83 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 88-117 of this report.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sandy City, assets exceeded liabilities by \$534,051,396 at the close of fiscal year 2011.

By far the largest portion of the City's net assets (89 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**SANDY CITY**  
**Summary of Net Assets**  
**For the Year Ended June 30, 2011**

	Governmental		Business-Type		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 56,697,523	\$ 63,304,699	\$ 23,709,964	\$ 22,700,690	\$ 80,407,487	\$ 86,005,389
Capital assets	450,206,535	442,062,254	124,582,332	124,453,698	574,788,867	566,515,952
Total assets	506,904,058	505,366,953	148,292,296	147,154,388	655,196,354	652,521,341
Long-term liabilities outstanding	79,743,092	84,689,964	22,105,608	22,807,108	101,848,700	107,497,072
Other liabilities	16,834,162	16,597,111	2,462,096	3,305,275	19,296,258	19,902,386
Total liabilities	96,577,254	101,287,075	24,567,704	26,112,383	121,144,958	127,399,458
Net Assets:						
Invested in capital assets, net of related debt	373,212,418	360,090,012	102,573,375	101,588,419	475,785,793	461,678,431
Restricted	5,761,990	6,081,370	-0-	-0-	5,761,990	6,081,370
Unrestricted	31,352,396	37,908,495	21,151,217	19,453,586	52,503,613	57,362,081
Total Net Assets	<u>\$ 410,326,804</u>	<u>\$ 404,079,877</u>	<u>\$ 123,724,592</u>	<u>\$ 121,042,005</u>	<u>\$ 534,051,396</u>	<u>\$ 525,121,882</u>



An additional portion of the City's net assets (1 percent) represents resources that are subject to external restrictions on how they may be used, all of which is from governmental activities. The remaining balance of *unrestricted net assets* (\$52,503,613) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2011, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Restricted net assets for governmental activities decreased 5.2 percent (\$319,380) during fiscal year 2011 as a result of capital projects expenditures funded in prior fiscal years.

**SANDY CITY**  
**Change in Net Assets**  
**For the Year Ended June 30, 2011**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 18,918,325	\$ 17,642,532	\$ 25,878,477	\$ 25,484,099	\$ 44,796,802	\$ 43,126,631
Operating Grants and Contributions	3,559,863	3,506,589	-0-	-0-	3,559,863	3,506,589
Capital Grants and Contributions	1,775,948	6,002,981	-0-	-0-	1,775,948	6,002,981
<b>General Revenues:</b>						
Property Taxes	7,667,234	7,690,136	366,822	358,777	8,034,056	8,048,913
Sales Taxes	15,703,214	16,064,881	-0-	-0-	15,703,214	16,064,881
Franchise Taxes	7,530,832	7,422,695	-0-	-0-	7,530,832	7,422,695
Motor Vehicle Taxes	599,710	694,237	33,002	38,925	632,712	733,162
Transient Room Taxes	2,008,594	1,903,278	-0-	-0-	2,008,594	1,903,278
Special Assessments	262,565	324,601	-0-	-0-	262,565	324,601
Interest Income	229,272	335,580	105,647	81,708	334,919	417,288
Gain (Loss) on Sale of Assets	479,536	9,797	-0-	-0-	479,536	9,797
Sundry Revenue	1,119,830	1,319,360	-0-	-0-	1,119,830	1,319,360
<b>Total Revenues</b>	<b>59,854,923</b>	<b>62,916,667</b>	<b>26,383,948</b>	<b>25,963,509</b>	<b>86,238,871</b>	<b>88,880,176</b>
<b>Expenses</b>						
<b>Governmental</b>						
General Government	6,218,703	5,675,296	-0-	-0-	6,218,703	5,675,296
Police and Animal Control	13,277,167	13,280,541	-0-	-0-	13,277,167	13,280,541
Fire	7,664,912	7,809,329	-0-	-0-	7,664,912	7,809,329
Public Works	8,690,108	7,017,165	-0-	-0-	8,690,108	7,017,165
Parks, Landscapes and Cemetery	3,647,766	4,752,925	-0-	-0-	3,647,766	4,752,925
Community Development	2,410,712	2,547,332	-0-	-0-	2,410,712	2,547,332
Economic Development	2,676,164	8,100,642	-0-	-0-	2,676,164	8,100,642
Recreation and Cultural Events	2,478,852	2,498,878	-0-	-0-	2,478,852	2,498,878
Electric Utility	1,068,846	1,074,688	-0-	-0-	1,068,846	1,074,688
Storm Water Utility	1,445,661	2,408,934	-0-	-0-	1,445,661	2,408,934
Interest on Long-Term Debt	3,825,212	3,845,903	-0-	-0-	3,825,212	3,845,903
<b>Business-Type</b>						
Alta Canyon Sports Center	-0-	-0-	1,171,414	1,160,884	1,171,414	1,160,884
Water	-0-	-0-	17,392,901	16,488,063	17,392,901	16,488,063
Waste	-0-	-0-	4,127,282	3,794,550	4,127,282	3,794,550
Golf Course	-0-	-0-	1,213,658	1,302,363	1,213,658	1,302,363
<b>Total Expenses</b>	<b>53,404,102</b>	<b>59,011,634</b>	<b>23,905,255</b>	<b>22,745,860</b>	<b>77,309,357</b>	<b>81,757,494</b>
<b>Increase in Net Assets Before Transfers</b>	<b>6,450,821</b>	<b>3,905,033</b>	<b>2,478,693</b>	<b>3,217,649</b>	<b>8,929,514</b>	<b>7,122,682</b>
Transfers	(203,894)	(150,000)	203,894	150,000	-0-	-0-
<b>Increase in Net Assets</b>	<b>6,246,927</b>	<b>3,755,033</b>	<b>2,682,587</b>	<b>3,367,649</b>	<b>8,929,514</b>	<b>7,122,682</b>
Beginning Net Assets	404,079,877	400,324,844	121,042,005	117,674,356	525,121,882	517,999,200
<b>Ending Net Assets</b>	<b>\$ 410,326,804</b>	<b>\$ 404,079,877</b>	<b>\$ 123,724,592</b>	<b>\$ 121,042,005</b>	<b>\$ 534,051,396</b>	<b>\$ 525,121,882</b>

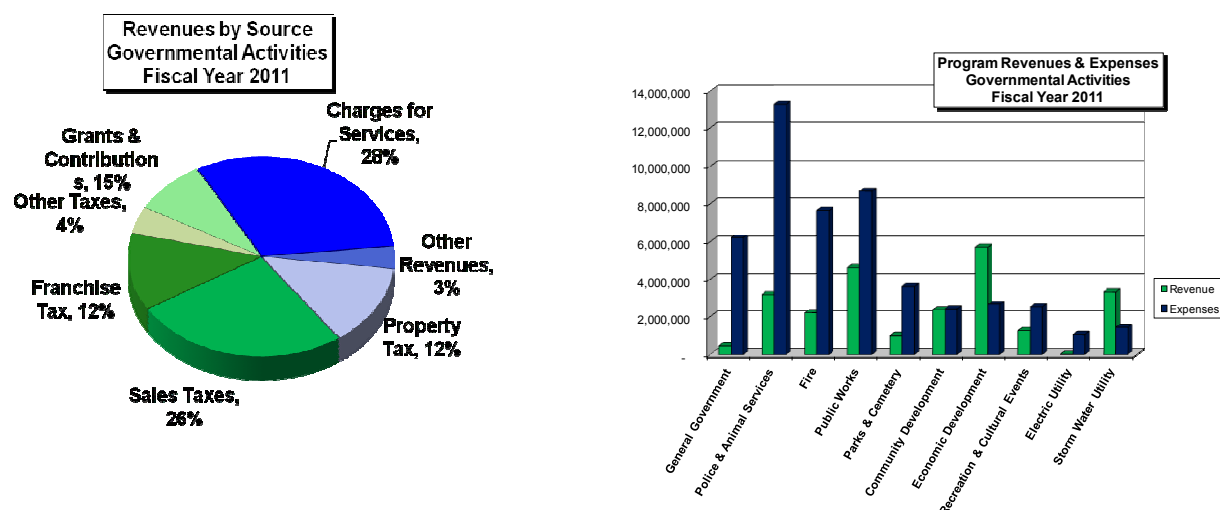
The government's net assets increased \$8,929,514 during fiscal year 2011. This growth is largely due to capital asset additions.

**Governmental activities:** Governmental activities increased the City's net assets \$6,246,927. Key elements affecting governmental activities net assets are as follows:

- While general fund revenues posted \$116,219 below expectations during fiscal year 2011, some revenues posted above final budgeted amounts; building permit fees, state road allotment revenue, cell tower lease revenue and franchise taxes came in \$301,829, \$249,003, \$352,011,

and \$60,932 above expectations respectively. The City collected \$733,644 less in sales tax revenue, and \$100,290 less of motor vehicle fees while court fines were \$111,965 below expectations. Property taxes for all governmental funds posted \$277,917 less than anticipated.

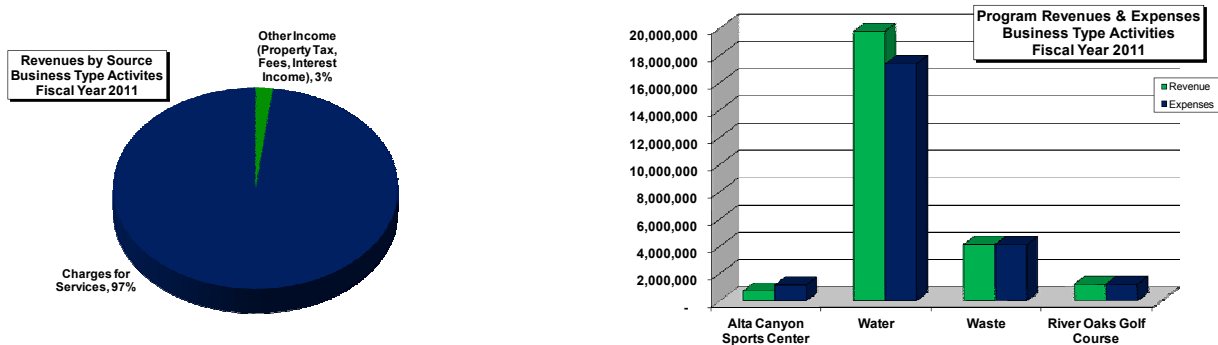
- During fiscal year 2011, the City's governmental funds finished \$31,274,857 of capital projects including \$19,028,477 that began in prior years. The most significant of these is the 1300 East improvements, which totaled \$7,344,899, 9400 South 1300 East Park and facilities, which totaled \$3,480,081, and property purchases of \$6,243,609. Governmental activities also contributed \$4,734,732 of construction in progress. More detailed information on capital additions can be found in the Capital Assets and Debt Administration section of the MD&A beginning on page 28.



**Business-type activities:** Business-type activities increased the City's net assets by \$2,682,587. Key elements of the change in business-type net assets are as follows:

- On May 1, 2001, the City entered into an inter-local agreement with Salt Lake City and Metropolitan Water District of Salt Lake and Sandy (MWDSLS). Under this agreement, the City is obligated to pay an estimated total of \$126,310,000 over 30 years to the MWDSLS for capital improvements to be conducted by MWDSLS. The seventh annual assessment of \$4,210,322 was paid in fiscal year 2011. An assessment in the same amount will be paid in fiscal year 2012.
- During fiscal year 2011, the City completed \$4,018,392 in water main additions including \$1,278,721 to replace sections of PVC pipe with larger ductile iron pipe in order to improve fire flows on dead end streets. The City's Public Utilities department also completed \$8,390,192 on the Granite Tank replacement project, of which \$8,352,233 began in prior years.
- Normal operating activities of the waste fund produced an increase in business-type activities net assets of \$26,846.
- While a struggling economy kept green fees revenue of \$591,307, rental sales of \$268,117, and pro shop merchandise sales below expectations, careful spending allowed River Oaks Golf Course to increase business-type activities net assets by \$206,724.

- While costs such as utilities and supplies continue to increase, economic hardships have caused Alta Canyon Sports Center membership and instruction fees to decline resulting in a \$31,941 decrease in business-type net assets.



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Sandy City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes prepaid expenditures that are not expected to be converted to cash. *Restricted* includes net fund resources of the City that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. The unrestricted fund balance is, in turn, subdivided between committed and unassigned portions. *Committed* balances reflect the City's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Unassigned* balances are all other available net fund resources and reside only in the general fund.

As of the end of fiscal year 2011, the City's governmental funds reported combined ending fund balances of \$28,060,183, a decrease of \$7,725,274 in comparison with fiscal year 2010. Of this amount, \$39,935 is unspendable, \$11,987,396 is restricted, and \$11,287,609 is committed by the City for capital projects and debt service. The remainder of governmental fund balance, \$4,745,243 (16.9 percent), is unassigned, and is therefore available for spending at the City's discretion.

The general fund is the chief operating fund of the City. At the end of fiscal year 2011, fund balance of the general fund was \$5,201,212, of which \$39,935 has been paid for future services (prepaid assets) and is therefore unspendable. As a measure of the general fund's liquidity, it may be useful to compare both

unassigned fund balance (\$5,161,277) and total fund balance to total fund expenditures. Unassigned fund balance represents 12.7 percent of the total general fund expenditures.

The fund balance of the City's general fund increased \$95,934. While the City realized a budget shortfall in many of the general fund revenues due to the struggling economy (\$733,644 below expectations in general sales and use taxes, \$254,958 in property taxes, \$111,965 from court fees, and \$100,290 from motor vehicle fees), we received more in general fund revenue than expected in a few areas: \$301,829 in building permits, \$352,011 from cell tower leases, and \$249,003 from state road allotment.

The storm water fund experienced a decrease in fund balance of \$3,675,362 for fiscal year 2011 after completing \$1,989,955 of storm water improvements and expending an additional \$3,920,294 in ongoing projects, resulting in a total fund balance of \$5,086,555. All of the fund balance provided by the storm water fund is restricted for storm water projects.

The debt service fund has a total fund balance of \$2,455,843, of which \$1,936,036 is restricted for the payment of debt service with the remaining \$519,807 committed, also for the payment debt service. The net fund balance decreased \$173,362 during fiscal year 2011 as a result of making regularly scheduled debt service payments.

Fund balance in the capital projects fund decreased \$2,907,994 during fiscal year 2011 leaving an ending fund balance of \$14,553,821. Of the ending fund balance, \$3,786,019 is restricted for specific capital projects, including roads. The remaining \$10,767,802 is committed to certain projects by City Council. The purchase of property (\$2,880,746), new infrastructure (\$1,205,703), and the addition of \$802,592 in new construction in progress were major contributing factors to the fund balance increase.

The Redevelopment Agency (RDA) ended the fiscal year with a negative fund balance of \$416,034, reflecting a decrease of \$1,255,540 in fiscal year 2011. While the RDA collected \$629,725 more in property taxes and \$208,594 more in transient room taxes than expected, it was not enough to cover payments for debt and contractual obligations.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's proprietary funds experienced cumulative growth of \$2,748,212 in net assets from enterprise funds amounting to total net assets of \$112,547,765 for the water fund, \$7,363,967 for the waste fund, \$953,915 for Alta Canyon Sports Center, and \$2,122,604 for River Oaks Golf Course. Total net assets from all internal service funds is \$17,339,859.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## **General Fund Budgetary Highlights**

Fiscal year 2011 realized a \$47,431 increase between the original budget and the final amended budget for general fund expenditures. Expenditures of \$39,185 were appropriated for operating costs associated with the commercial building (post office building) the City purchased during the fiscal year. The costs will be funded with lease revenue derived from the building. Additional police training, overtime, equipment, and supplies (\$8,246) were appropriated with an increase in court fees. The general fund contingency was used to fund snow removal (\$68,000), the Top of the Mountain Bowl (\$5,000), and the Healing Field (\$7,500).

General fund expenditures fell \$910,424 below budgeted appropriations mostly as a result of careful spending due to the economic uncertainty. This budget savings occurred primarily in public safety (\$112,908), Public Works (\$195,758), Non-departmental (\$227,411), City Administrator (\$138,148), and Parks and Cemetery (\$107,551). General fund balance increase \$95,934 after transferring \$123,142 to the capital projects fund at fiscal year-end allowing the City to maintain General fund balance at 11.5 percent of revenues.

## **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011 are water rights and capacity, water system, land, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure (roadway system), street light system, and storm drain system. The net increase in the City's investment in capital assets for fiscal year 2011 was \$8,272,914 (a 1.8 percent increase for governmental activities and a 0.1 percent increase for business-type activities).

Major capital asset events during fiscal year 2011 included the following:

- The City purchased a commercial building at 10012 Centennial Parkway (post office building) for \$2,878,650 as well as the adjacent parking structure and land for \$1,880,555. Land was also purchased at 91 and 101 West 9000 South to facilitate parking and an entrance to the soccer stadium.
- The City began the 114<sup>th</sup> South Outfall Line (\$1,592,396) and the Falcon Drive (\$1,594,570) storm water improvements.
- The City replaced 19 police vehicles (\$463,948) and purchased a new truck for Animal Services (\$30,678).
- Two dump trucks were replaced at a cost of \$285,317 and a leaf truck was added for \$111,834.
- Water main improvements totaled \$4,018,392 for fiscal year 2011.

**SANDY CITY**  
**Capital Assets, Net of Depreciation**  
**June 30, 2011**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2011	2010	2011	2010	2011	2010
Water Rights and Capacity	\$ -0-	\$ -0-	\$ 40,450,641	\$ 40,400,658	\$ 40,450,641	\$ 40,400,658
Land	221,191,701	217,417,904	6,887,234	6,887,234	228,078,935	224,305,138
Buildings and Systems	59,692,020	57,454,478	72,900,796	63,681,855	132,592,816	121,136,333
Improvement Other Than Buildings	27,829,490	12,032,548	1,645,988	1,782,427	29,475,478	13,814,975
Vehicles	5,649,726	5,203,466	744,826	842,945	6,394,552	6,046,411
Machinery and Equipment	1,851,513	2,116,865	358,551	399,493	2,210,064	2,516,358
Infrastructure	124,610,519	123,404,816	-0-	-0-	124,610,519	123,404,816
Construction in Progress	9,381,566	24,432,177	1,594,296	10,459,086	10,975,862	34,891,263
<b>Total</b>	<b>\$ 450,206,535</b>	<b>\$ 442,062,254</b>	<b>\$ 124,582,332</b>	<b>\$ 124,453,698</b>	<b>\$ 574,788,867</b>	<b>\$ 566,515,952</b>

The City did not record its roadway system infrastructure as part of the general fixed asset account group before July 1, 2002, but did record storm water and street light systems infrastructure in the appropriate funds at historical cost less depreciation. With the implementation of GASB Statement No. 34, Sandy City implemented the modified approach to account for roadway system infrastructure. Because many infrastructure assets may reasonably be expected to continue to function indefinitely if they are adequately preserved and maintained, GAAP allow a government to forego reporting depreciation in connection with networks or subsystems of infrastructure assets. A government choosing this option must commit to maintain those particular infrastructure assets at a predetermined condition level of its own choosing and must establish an asset management system adequate for that purpose. Sandy City has established a policy to maintain at least 80 percent of its roadway system in a good or better condition and have no more than 10 percent in substandard condition. For the fiscal year ended June 30, 2011, the City has exceeded this goal for each of the three subsystems of the roadway network (arterials, collectors, and secondary) with 91.4 percent of the overall roadway network being in good or better condition and only .3 percent in substandard condition. This is a 0.9 percent increase from those in good or better condition at the end of fiscal year 2010 and a 0.1 percent increase in substandard condition from the fiscal year ended June 30, 2010. The projected needed amount of \$6,154,479 compared to the actual amount spent (\$5,481,170) reflects careful prioritization to maintain road infrastructure in good or better conditions during uncertain economic times. More detailed information on this subject can be found in note 1 on page 54 of the notes to the financial statements and in the Required Supplementary Information section on page 85.

Additional information on the City's capital assets can be found in note 10 of the notes to the financial statements on pages 63-66 of this report.

**Long-term debt.** At the end of fiscal year 2011, the City had total long-term obligations outstanding of \$101,848,700. Of this amount, \$380,000 comprises debt backed by the full faith and credit of the government and \$668,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City's bonded debt

(\$83,950,000) represents bonds secured solely by specified revenue sources (i.e. revenue bonds). The City's long-term obligations outstanding also include notes payable, long-term contracts payable, and compensated absences totaling \$16,850,700.

**SANDY CITY**  
**Outstanding Debt**  
**As of June 30, 2011**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 380,000	\$ 1,090,000	\$ -0-	\$ -0-	\$ 380,000	\$ 1,090,000
Special Assessment Debt with Governmental Commitment	668,000	981,000	-0-	-0-	668,000	981,000
Tax Increment Bond	10,705,000	11,040,000	-0-	-0-	10,705,000	11,040,000
Revenue Bonds	64,231,242	67,686,242	9,013,758	9,503,758	73,245,000	77,190,000
Total Bonds Payable	75,984,242	80,797,242	9,013,758	9,503,758	84,998,000	90,301,000
Notes Payable	1,010,000	1,175,000	-0-	-0-	1,010,000	1,175,000
Compensated Absences	2,748,850	2,717,722	-0-	-0-	2,748,850	2,717,722
Long-Term Contract Payable	-0-	-0-	13,091,850	13,303,350	13,091,850	13,303,350
Total Other Debt	3,758,850	3,892,722	13,091,850	13,303,350	16,850,700	17,196,072
<b>Total Outstanding Debt</b>	<b>\$ 79,743,092</b>	<b>\$ 84,689,964</b>	<b>\$ 22,105,608</b>	<b>\$ 22,807,108</b>	<b>\$ 101,848,700</b>	<b>\$ 107,497,072</b>

The City's total long-term debt decreased \$5,648,372 (5.2 percent) during fiscal year 2011. The City made \$5,679,500 of principal payments on long-term debt during the fiscal year. No new debt was issued and no other significant events occurred regarding long-term debt.

The City's sales tax revenue bonds are rated AA+ by Standard and Poor's. The City maintains a "AA" rating from Standard and Poor's for its general obligation bond because of the City's strong historical and projected unrestricted financial reserves, a low debt level, and a stable and affluent residential community. Standard and Poor's has rated the water revenue and refunding bonds "AA-". Moody's Investor Services rated the 2007 Motor Fuel Excise Tax Revenue Bonds "AAA". Because the 2008 Tax Increment Bonds and the 2007 Transient Room Tax Bonds were privately placed, there was no rating requirement.

Utah state statute limits the amount of general obligation debt a governmental entity may issue to eight percent of the "reasonable fair cash value" of property. Of this percentage, a maximum of four percent may be used for general purposes. The remaining four percent and any unused portion of the four percent available for general purposes up to the maximum eight percent may be utilized for water and/or sewer purposes. The current debt limitation for the City's general-purpose debt is \$389,056,458 and \$778,112,916 for the City as a whole. This limitation is significantly in excess of the City's outstanding general obligation debt (\$380,000).

Additional information on the City's long-term debt can be found in note 11 on pages 66-73 of this report.



## **Economic Factors and Next Year's Budgets and Rates**

Utah's 7 percent unemployment rate remains about the same as last year at this time, which is still significantly lower than the national unemployment rate of 9 percent. And while the effects of the deep national recession have played a role in shaping next year's budget, the City's administration remains cautiously optimistic about the financial future of Sandy City. In fact, it is expected the City's general fund balance will increase \$210,677 during fiscal year 2012 even after a decline in sales tax revenue, the City's largest revenue source, due to the results of the 2010 census. Since the 2000 census, the state has estimated that Sandy's population increased from 88,418 to 97,188. However, the 2010 census revealed that the household size continued to decrease as Sandy's population aged to a current population of 87,572.

The Parks and Recreation department increased building rental fees, set up and cemetery fees, recreation fees, and golf fees based on a market survey, increased sanction fees, and to pay the rising costs for facilities, wages, utilities, and supplies. Alta Canyon Sports Center reduced nursery fees considering it a cost of doing business for members. The Sports Center increased some program, instructional, and membership fees based on a market survey, fee clarifications and adjustments, and Alta Canyon Board recommendations. Fees for the Sports Center were also restructured for clarification in the registration process.

The Public Utilities department implemented recommendations from the 2010 Water System Master Plan & Rate Study Update; Water base and overage rates changed to accommodate switching from the inclusion of 8,000 gallons to 6,000 gallons of water in the base rate and redefining summer months for overage rate purposes. Additionally, the fluoride fee was discontinued. These are intended to be revenue neutral changes. Public Utilities also added a key deposit fee for hydrant meter rental as well as the second of three storm water fee increases totaling \$1 for all three years, which will be used for projects that will decrease the risk of flooding.

The Community Development department implemented some fee changes to bring them more in line with other similar services and to cover the cost of providing various services. Since Planned Urban Development (PUD) review fees are already being covered by the multiple family review, it will be discontinued along with the sign tag fee that is no longer used. Vehicle restoration permit fees are also discontinued since they are no longer issued by the City. A variety of new review fees will offset the cost of review.

Fireworks permit fees for storage (off-site stands) and fireworks and explosives have been increased from \$50 to \$140 to help cover actual inspection costs.

## **Requests for Information**

This financial report is designed to provide a general overview of Sandy City's finances for everyone with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sandy City Finance Department, 10000 Centennial Parkway, Sandy, Utah 84070.

# BASIC FINANCIAL STATEMENTS

**SANDY CITY**  
**Statement of Net Assets**  
**June 30, 2011**  
**With Comparative Totals for 2010**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Comparative Total - 2010</b>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 33,982,755	\$ 12,865,104	\$ 46,847,859	\$ 45,822,480
Receivables - Net	13,574,237	2,495,223	16,069,460	16,580,930
Deposits	-0-	-0-	-0-	250,000
Intergovernmental Receivable	1,163,540	678,071	1,841,611	2,001,066
Internal Balances	(736,341)	736,341	-0-	-0-
Inventories	156,063	775,358	931,421	931,459
Prepaid Assets	51,288	-0-	51,288	250,245
Deferred Charges	804,888	403,615	1,208,503	1,339,290
Temporarily Restricted Cash:				
Road Funds	766,022	-0-	766,022	615,838
Capital Projects	4,999,035	-0-	4,999,035	10,536,111
Debt Service	1,936,036	-0-	1,936,036	1,936,036
Investment in Joint Venture	-0-	5,756,252	5,756,252	5,741,934
Capital Assets (Net of Accumulated Depreciation)				
Water Rights and Capacity	-0-	40,450,641	40,450,641	40,400,658
Land	221,191,701	6,887,234	228,078,935	224,305,138
Buildings and Systems	59,692,020	72,900,796	132,592,816	121,136,333
Improvements Other Than Buildings	27,829,490	1,645,988	29,475,478	13,814,975
Vehicles	5,649,726	744,826	6,394,552	6,046,411
Machinery and Equipment	1,851,513	358,551	2,210,064	2,516,358
Infrastructure	124,610,519	-0-	124,610,519	123,404,816
Construction in Progress	9,381,566	1,594,296	10,975,862	34,891,263
Total Assets	<u>\$ 506,904,058</u>	<u>\$ 148,292,296</u>	<u>\$ 655,196,354</u>	<u>\$ 652,521,341</u>

The accompanying notes are an integral part of this financial statement.

	Governmental Activities	Business-Type Activities	Total	Comparative Total - 2010
<b><u>LIABILITIES:</u></b>				
Accounts Payable	\$ 1,786,199	\$ 985,762	\$ 2,771,961	\$ 2,932,289
Salaries and Benefits Payable	1,324,199	111,562	1,435,761	1,852,380
Accrued Interest Payable	1,340,643	71,476	1,412,119	1,463,870
Unamortized Interest Payable	-0-	245,979	245,979	269,671
Claims and Judgements Payable	295,904	-0-	295,904	271,153
Intergovernmental Payable	93,226	-0-	93,226	107,458
Unearned Revenue	8,037,730	422,986	8,460,716	8,465,425
Deferred Assessments	428,000	-0-	428,000	751,000
Customer Deposits	3,528,261	624,181	4,152,442	3,789,140
Noncurrent Liabilities:				
Compensated Absenses:				
Due within One Year	76,282	-0-	76,282	76,282
Due in More Than One Year	2,672,568	-0-	2,672,568	2,641,440
Bonds, Notes, Leases and Other Payables:				
Due within One Year	4,887,000	847,780	5,734,780	5,679,500
Due in More Than One Year	72,107,242	21,257,978	93,365,220	99,099,850
Total Liabilities	96,577,254	24,567,704	121,144,958	127,399,458
<b><u>NET ASSETS:</u></b>				
Invested In Capital Assets, Net of Related Debt	373,212,418	102,573,375	475,785,793	461,678,431
Restricted for:				
General Fund	39,935	-0-	39,935	29,943
Debt service	1,936,036	-0-	1,936,036	1,936,036
Capital Projects	3,019,997	-0-	3,019,997	3,499,553
Road Funds	766,022	-0-	766,022	615,838
Unrestricted	31,352,396	21,151,217	52,503,613	57,362,081
Total Net Assets	\$ 410,326,804	\$ 123,724,592	\$ 534,051,396	\$ 525,121,882

**SANDY CITY**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**  
**With Comparative Totals for the Year Ended 2010**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 6,218,703	\$ 501,076	\$ -0-	\$ -0-
Police and Animal Control	13,277,167	3,040,930	142,973	-0-
Fire	7,664,912	2,166,069	38,551	-0-
Public Works	8,690,108	278,545	2,956,603	1,415,243
Parks, Landscapes and Cemetery	3,647,765	725,973	-0-	308,320
Community Development	2,410,712	1,941,264	421,736	-0-
Economic Development	2,676,164	5,710,377	-0-	-0-
Recreation and Cultural Events	2,478,852	1,212,118	-0-	52,385
Electric Utility	1,068,846	13,557	-0-	-0-
Storm Water Utility	1,445,661	3,328,416	-0-	-0-
Interest on Long-Term Debt	3,825,212	-0-	-0-	-0-
Total Governmental Activities	53,404,102	18,918,325	3,559,863	1,775,948
Business-Type Activities:				
Alta Canyon Sports Center	1,171,414	739,635	-0-	-0-
Water	17,392,901	19,771,809	-0-	-0-
Waste	4,127,282	4,152,925	-0-	-0-
Golf Course	1,213,658	1,214,108	-0-	-0-
Total Business-Type Activities	23,905,255	25,878,477	-0-	-0-
Total Primary Government	\$ 77,309,357	\$ 44,796,802	\$ 3,559,863	\$ 1,775,948

General Revenues:

Property Taxes  
Sales Taxes  
Franchise Taxes  
Motor Vehicle Taxes  
Transient Room Taxes  
Interest Income  
Sundry Revenue

Transfers

Total General Revenues and Transfers  
Change in Net Assets

Beginning Net Assets

Ending Net Assets

The accompanying notes are an integral part of this financial statement.

Net (Expenses) Revenues and Changes in Net Assets			
Governmental Activities	Business-Type Activities	Total	Comparative Total - 2010
\$ (5,717,627)	\$ -0-	\$ (5,717,627)	\$ (5,631,531)
(10,093,264)	-0-	(10,093,264)	(9,821,376)
(5,460,292)	-0-	(5,460,292)	(5,534,551)
(4,039,717)	-0-	(4,039,717)	1,892,107
(2,613,472)	-0-	(2,613,472)	(4,424,857)
(47,712)	-0-	(47,712)	(418,675)
3,034,213	-0-	3,034,213	(2,708,697)
(1,214,349)	-0-	(1,214,349)	(1,253,460)
(1,055,289)	-0-	(1,055,289)	(1,073,148)
1,882,755	-0-	1,882,755	960,559
(3,825,212)	-0-	(3,825,212)	(3,845,903)
(29,149,966)	-0-	(29,149,966)	(31,859,532)
-0-	(431,779)	(431,779)	(435,252)
-0-	2,378,908	2,378,908	2,830,125
-0-	25,643	25,643	353,313
-0-	450	450	(9,947)
-0-	1,973,222	1,973,222	2,738,239
(29,149,966)	1,973,222	(27,176,744)	(29,121,293)
7,667,234	366,822	8,034,056	8,048,913
15,703,214	-0-	15,703,214	16,064,881
7,530,832	-0-	7,530,832	7,422,695
599,710	33,002	632,712	733,162
2,008,594	-0-	2,008,594	1,903,278
229,272	105,647	334,919	417,288
1,861,931	-0-	1,861,931	1,653,758
(203,894)	203,894	-0-	-0-
35,396,893	709,365	36,106,258	36,243,975
6,246,927	2,682,587	8,929,514	7,122,682
404,079,877	121,042,005	525,121,882	517,999,200
<u>\$ 410,326,804</u>	<u>\$ 123,724,592</u>	<u>\$ 534,051,396</u>	<u>\$ 525,121,882</u>

**SANDY CITY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**  
**With Comparative Totals for 2010**

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Funds	Governmental Funds	
							Total	Comparative 2010
<b>ASSETS:</b>								
Cash and Cash Equivalents	\$ 6,542,258	\$ 3,240,247	\$ 440,380	\$ 9,904,693	\$ -0-	\$ 1,275,836	\$ 21,403,414	\$ 23,317,335
Receivables - Net	10,598,540	293,255	812,427	103,012	528,156	1,144	12,336,534	12,599,184
Due from other Governments	964,369	-0-	-0-	134,463	-0-	64,708	1,163,540	1,112,607
Due From Other Funds	-0-	-0-	-0-	990,858	-0-	-0-	990,858	16,727
Prepaid Assets	39,935	-0-	-0-	-0-	-0-	-0-	39,935	29,943
Temporarily Restricted Cash:								
Road Funds	-0-	-0-	-0-	766,022	-0-	-0-	766,022	615,838
Capital Projects	-0-	1,942,480	-0-	3,019,997	36,558	-0-	4,999,035	10,536,111
Debt Service	-0-	-0-	1,936,036	-0-	-0-	-0-	1,936,036	1,936,036
Total Assets	18,145,102	5,475,982	3,188,843	14,919,045	564,714	1,341,688	43,635,374	50,163,781
<b>LIABILITIES AND FUND BALANCES:</b>								
Accounts Payable	763,406	363,439	-0-	365,224	1,368	113,269	1,606,706	1,221,990
Salaries and Benefits Payable	1,233,127	25,988	-0-	-0-	4,019	26,400	1,289,534	1,555,963
Due to Other Governments	92,726	-0-	-0-	-0-	-0-	500	93,226	93,667
Due to Other Funds	-0-	-0-	-0-	-0-	975,361	15,497	990,858	16,727
Deferred Revenue	7,333,606	-0-	733,000	-0-	-0-	-0-	8,066,606	8,388,947
Deposits	3,521,025	-0-	-0-	-0-	-0-	7,236	3,528,261	3,101,030
Total Liabilities	12,943,890	389,427	733,000	365,224	980,748	162,902	15,575,191	14,378,324
<b>Fund Balance</b>								
Nonspendable:								
Prepaid Assets	39,935	-0-	-0-	-0-	-0-	-0-	39,935	29,943
Restricted for:								
Storm Water	-0-	5,086,555	-0-	-0-	-0-	-0-	5,086,555	8,761,917
Debt Service	-0-	-0-	1,936,036	-0-	-0-	-0-	1,936,036	1,936,036
Capital Projects	-0-	-0-	-0-	3,019,997	-0-	-0-	3,019,997	3,499,553
Roads	-0-	-0-	-0-	766,022	-0-	-0-	766,022	615,838
RDA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	839,506
Other Funds	-0-	-0-	-0-	-0-	-0-	1,178,786	1,178,786	987,736
Committed for:								
Capital Projects	-0-	-0-	-0-	10,767,802	-0-	-0-	10,767,802	13,346,424
Debt Service	-0-	-0-	519,807	-0-	-0-	-0-	519,807	693,169
Unassigned:								
Unassigned	5,161,277	-0-	-0-	-0-	(416,034)	-0-	4,745,243	5,075,335
Total Fund Balances	5,201,212	5,086,555	2,455,843	14,553,821	(416,034)	1,178,786	28,060,183	35,785,457
Total Liabilities and Fund Balances	\$ 18,145,102	\$ 5,475,982	\$ 3,188,843	\$ 14,919,045	\$ 564,714	\$ 1,341,688	\$ 43,635,374	\$ 50,163,781

The accompanying notes are an integral part of this financial statement.



## SANDY CITY

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets June 30, 2011

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Total Fund Balances for Governmental Funds (page 38) \$ 28,060,183

#### Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 221,191,701	
Buildings and Systems	59,692,020	
Improvements Other Than Buildings	27,829,490	
Vehicles	6,083	
Machinery and Equipment	713,577	
Infrastructure	124,610,519	
Construction in Progress	9,381,566	
Total Capital Assets		443,424,956

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 860,894

A portion of the excess revenue collected by the internal service funds must be returned to the business-type activities. (736,341)

Internal services funds are used by the City to charge the costs of the fleet operations, information services, risk management, equipment and employee benefits to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 17,339,859

Long-term liabilities, including bonds payable, are not due and payable in the current period and accordingly are not reported in the funds.

Interest on long-term debt is not accrued in governmental funds, but rather as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets.

Accrued Interest Payable	(1,340,643)	
Unamortized Bond Issuance Costs	804,888	
Bonds, Notes and Leases Payable - Current	(4,887,000)	
Bonds, Notes and Leases Payable - Noncurrent	(72,107,242)	
Compensated Absences - Noncurrent	(1,092,750)	
		(78,622,747)

Net Assets of Governmental Activities (page 35) \$ 410,326,804

The accompanying notes are an integral part of this financial statement.

**SANDY CITY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**  
**With Comparative Totals for the Year Ended 2010**

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Funds	Governmental Funds	
							Total	Comparative Total - 2010
<b>Revenues:</b>								
Taxes	\$ 31,178,798	\$ -0-	\$ 292,222	\$ -0-	\$ 7,718,971	\$ -0-	\$ 39,189,991	\$ 39,139,927
Special Assessments	-0-	-0-	262,565	-0-	-0-	-0-	262,565	324,601
Innkeeper Fees	-0-	-0-	351,766	-0-	-0-	-0-	351,766	332,317
Licenses and Permits	2,028,642	-0-	-0-	-0-	-0-	-0-	2,028,642	1,640,829
Inter-Governmental	3,354,491	962,200	417,259	677,359	-0-	474,121	5,885,430	8,531,708
Administrative Charges	2,196,409	-0-	-0-	-0-	-0-	-0-	2,196,409	2,067,801
Fines and Forfeitures	2,515,535	-0-	-0-	1,197	-0-	-0-	2,516,732	2,712,266
Cell Tower Lease	682,879	81,107	-0-	247,468	-0-	232,068	1,243,522	169,523
Fees from Developers	-0-	-0-	44,573	659,185	-0-	-0-	703,758	358,813
Charges for Sales and Services	2,771,274	3,228,423	-0-	17,473	-0-	1,167,450	7,184,620	7,077,980
Interest Income	57,920	30,720	13,250	90,337	-0-	8,149	200,376	335,580
Miscellaneous	83,431	18,886	-0-	18,066	1,288	594,688	716,359	1,122,327
Total Revenues	44,869,379	4,321,336	1,381,635	1,711,085	7,720,259	2,476,476	62,480,170	63,813,672
<b>Expenditures:</b>								
Current								
General Government	8,446,888	-0-	-0-	-0-	-0-	43,541	8,490,429	8,720,439
Police and Animal Control	13,066,067	-0-	-0-	-0-	-0-	415,875	13,481,942	13,374,749
Fire	7,548,851	-0-	-0-	-0-	-0-	36,961	7,585,812	7,653,908
Public Works	5,746,856	-0-	-0-	-0-	-0-	-0-	5,746,856	5,631,198
Parks, Landscapes and Cemetery	3,631,717	-0-	-0-	-0-	-0-	94,617	3,726,334	3,613,491
Community Development	2,164,474	-0-	-0-	-0-	-0-	232,994	2,397,468	2,517,420
Economic Development	-0-	-0-	-0-	-0-	1,380,628	-0-	1,380,628	931,740
Recreation and Cultural Events	-0-	-0-	-0-	-0-	-0-	2,189,093	2,189,093	2,243,145
Electric Utility	-0-	-0-	-0-	-0-	-0-	715,113	715,113	722,293
Storm Water Utility	-0-	1,387,313	-0-	-0-	-0-	-0-	1,387,313	1,384,627
Capital Outlays	-0-	5,398,046	-0-	6,408,250	2,352,900	-0-	14,159,196	19,707,318
Debt Service								
Principal	-0-	-0-	4,978,000	-0-	-0-	-0-	4,978,000	4,770,000
Interest	-0-	-0-	3,759,876	-0-	-0-	-0-	3,759,876	3,795,121
Bond Issuance Cost and Trustee Fees	-0-	-0-	20,200	-0-	3,291	-0-	23,491	577,064
Total Expenditures	40,604,853	6,785,359	8,758,076	6,408,250	3,736,819	3,728,194	70,021,551	75,642,513
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,264,526	(2,464,023)	(7,376,441)	(4,697,165)	3,983,440	(1,251,718)	(7,541,381)	(11,828,841)
<b>Other Financing Sources (Uses):</b>								
Issuance of Debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,386,242
Bond Premium	-0-	-0-	-0-	-0-	-0-	-0-	-0-	357,751
Redemption of Refunded Bonds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(4,180,000)
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	221,360
Income Before Contributions and Transfers	4,264,526	(2,464,023)	(7,376,441)	(4,697,165)	3,983,440	(1,251,718)	(7,541,381)	(4,043,488)
Transfers In	260,920	161,803	7,203,079	4,273,556	-0-	1,650,722	13,550,080	11,642,322
Transfers Out	(4,429,512)	(1,373,142)	-0-	(2,484,385)	(5,238,980)	(207,954)	(13,733,973)	(10,982,163)
Total Other Financing Sources (Uses)	(4,168,592)	(1,211,339)	7,203,079	1,789,171	(5,238,980)	1,442,768	(183,893)	8,445,512
Net Change in Fund Balances	95,934	(3,675,362)	(173,362)	(2,907,994)	(1,255,540)	191,050	(7,725,274)	(3,383,329)
Beginning Fund Balances	5,105,278	8,761,917	2,629,205	17,461,815	839,506	987,736	35,785,457	39,168,786
Ending Fund Balances	\$ 5,201,212	\$ 5,086,555	\$ 2,455,843	\$ 14,553,821	\$ (416,034)	\$ 1,178,786	\$ 28,060,183	\$ 35,785,457

The accompanying notes are an integral part of this financial statement.

## SANDY CITY

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2011

---

Net Change in Fund Balances - Total Governmental (page 40) \$ (7,725,274)

**Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. 8,577,845

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 2,184

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 4,978,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (88,934)

Internal service funds are used by the City to charge the costs of various activities to individual funds. A portion of the internal service funds net revenues is reported with governmental activities. 503,107

Change in Net Assets of Governmental Activities (page 36-37) \$ 6,246,927

The accompanying notes are an integral part of this financial statement.

**SANDY CITY****General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2011**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>Revenues:</b>				
Taxes:				
General Property Taxes	\$ 7,600,000	\$ 7,600,000	\$ 7,345,042	\$ (254,958)
General Sales and Use Taxes	16,436,858	16,436,858	15,703,214	(733,644)
Franchise Taxes	7,469,900	7,469,900	7,530,832	60,932
Motor Vehicle Fee	700,000	700,000	599,710	(100,290)
Total Taxes	32,206,758	32,206,758	31,178,798	(1,027,960)
Licenses and Permits	1,623,100	1,623,100	2,028,642	405,542
Inter-Governmental	3,083,920	3,083,920	3,354,491	270,571
Administrative Charges	2,196,409	2,196,409	2,196,409	-0-
Fines and Forfeitures	2,636,000	2,644,246	2,515,535	(128,711)
Cell Tower Lease	330,868	330,868	682,879	352,011
Charges for Sales and Services	2,741,179	2,781,497	2,771,274	(10,223)
Interest Income	33,800	33,800	57,920	24,120
Miscellaneous	85,000	85,000	67,117	(17,883)
Total Revenues	44,937,034	44,985,598	44,853,065	(132,533)
<b>Expenditures:</b>				
General Government:				
Mayor	501,626	501,626	502,261	(635)
City Administrator	2,367,136	2,406,321	2,268,173	138,148
City Council	561,298	561,298	498,360	62,938
City Attorney	1,162,055	1,162,055	1,162,055	-0-
Court Services	1,362,617	1,362,617	1,362,416	201
Finance	1,667,849	1,667,849	1,602,100	65,749
Non-Departmental	1,346,934	1,278,934	1,051,523	227,411
Total General Government	8,969,515	8,940,700	8,446,888	493,812
Public Safety:				
Police and Animal Control	13,058,235	13,066,481	13,066,067	414
Fire	7,661,345	7,661,345	7,548,851	112,494
Total Public Safety	20,719,580	20,727,826	20,614,918	112,908
Public Works	5,874,614	5,942,614	5,746,856	195,758
Parks and Cemetery	3,739,268	3,739,268	3,631,717	107,551
Community Development	2,164,869	2,164,869	2,164,474	395
Total Expenditures	41,467,846	41,515,277	40,604,853	910,424
Excess of Revenues Over Expenditures	3,469,188	3,470,321	4,248,212	777,891
<b>Other Financing Sources (Uses):</b>				
Other Income	-0-	-0-	16,314	16,314
Transfers In	260,920	260,920	260,920	-0-
Transfers Out	(3,633,082)	(3,633,082)	(4,429,512)	(796,430)
Total Other Financing Sources (Uses)	(3,372,162)	(3,372,162)	(4,152,278)	(780,116)
Net Change in Fund Balances	97,026	98,159	95,934	(2,225)
Beginning Fund Balances	5,105,278	5,105,278	5,105,278	-0-
Ending Fund Balances	\$ 5,202,304	\$ 5,203,437	\$ 5,201,212	\$ (2,225)

The accompanying notes are an integral part of this financial statement.

# SANDY CITY

## Storm Water Fund

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Inter-Governmental	\$ 962,000	\$ 962,000	\$ 962,200	\$ 200
Cell Tower Lease	78,000	78,000	81,107	3,107
Charges for Sales and Services	3,258,695	3,258,695	3,228,423	(30,272)
Interest Income	9,500	9,500	30,720	21,220
Miscellaneous	-0-	-0-	18,886	18,886
Total Revenues	4,308,195	4,308,195	4,321,336	13,141
<b>Expenditures:</b>				
Salaries and Benefits	886,467	886,467	807,840	78,627
Materials and Supplies	158,406	158,406	166,531	(8,125)
Contracted Services	6,090	6,090	6,080	10
Internal Charges	866,580	866,580	327,995	538,585
Administrative Charges	59,282	59,282	59,282	-0-
Cost of Goods Sold	18,780	18,780	19,585	(805)
Capital Outlays	8,925,994	8,925,994	5,398,046	3,527,948
Total Expenditures	10,921,599	10,921,599	6,785,359	4,136,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,613,404)	(6,613,404)	(2,464,023)	4,149,381
<b>Other Financing Sources (Uses):</b>				
Transfers In	161,803	161,803	161,803	-0-
Transfers Out	(1,369,941)	(1,374,941)	(1,373,142)	1,799
Total Other Financing Sources (Uses)	(1,208,138)	(1,213,138)	(1,211,339)	1,799
Net Change in Fund Balances	(7,821,542)	(7,826,542)	(3,675,362)	4,151,180
Beginning Fund Balances	8,761,917	8,761,917	8,761,917	-0-
Ending Fund Balances	\$ 940,375	\$ 935,375	\$ 5,086,555	\$ 4,151,180

The accompanying notes are an integral part of this financial statement.

**SANDY CITY****Redevelopment Agency (RDA)****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Year Ended June 30, 2011**

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
General Property Taxes	\$ 5,080,652	\$ 5,710,377	\$ 629,725
Transient Room Tax	1,800,000	2,008,594	208,594
Miscellaneous	-0-	1,288	1,288
Total Revenues	6,880,652	7,720,259	839,607
<b>Expenditures:</b>			
Salaries and Benefits	198,278	202,672	(4,394)
Materials and Supplies	86,235	31,171	55,064
Contracted Services	1,133,901	909,156	224,745
Internal Charges	12,410	12,410	-0-
Administrative Charges	225,219	225,219	-0-
Interest Expense	-0-	3,291	(3,291)
Capital Outlays	6,603,070	2,352,900	4,250,170
Total Expenditures	8,259,113	3,736,819	4,522,294
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,378,461)	3,983,440	5,361,901
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(5,241,776)	(5,238,980)	2,796
Net Change in Fund Balances	(6,620,237)	(1,255,540)	5,364,697
Beginning Fund Balances	839,506	839,506	-0-
Ending Fund Balances	\$ (5,780,731)	\$ (416,034)	\$ 5,364,697

The accompanying notes are an integral part of this financial statement.

**SANDY CITY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	<b>Business - Type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Alta Canyon Sports Center</b>	<b>Water</b>	<b>Waste</b>	<b>Golf</b>	<b>TOTALS</b>	
<b>ASSETS:</b>						
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 132,204	\$ 11,180,656	\$ 1,527,244	\$ 25,000	\$ 12,865,104	\$ 12,579,341
Receivables - Net	357,602	1,743,228	375,517	18,876	2,495,223	376,808
Due from other Governments	-0-	678,071	-0-	-0-	678,071	-0-
Prepaid Assets	-0-	-0-	-0-	-0-	-0-	11,353
Deferred Charges	-0-	124,185	-0-	279,430	403,615	-0-
Inventories	-0-	598,507	-0-	176,851	775,358	156,063
Total Current Assets	489,806	14,324,647	1,902,761	500,157	17,217,371	13,123,565
<b>Noncurrent Assets:</b>						
Investment in Joint Venture	-0-	-0-	5,756,252	-0-	5,756,252	-0-
<b>Capital Assets</b>						
Water Rights and Capacity	-0-	40,450,641	-0-	-0-	40,450,641	-0-
Land, Building, Plant, and Equipment	4,627,127	131,357,386	-0-	5,450,151	141,434,664	23,345,634
Accumulated Depreciation	(3,680,441)	(54,967,858)	-0-	(248,970)	(58,897,269)	(16,563,929)
Construction in Progress	-0-	1,587,590	-0-	6,706	1,594,296	-0-
Total Capital Assets	946,686	118,427,759	-0-	5,207,887	124,582,332	6,781,705
Total Noncurrent Assets	946,686	118,427,759	5,756,252	5,207,887	130,338,584	6,781,705
Total Assets	1,436,492	132,752,406	7,659,013	5,708,044	147,555,955	19,905,270
<b>LIABILITIES:</b>						
<b>Current Liabilities:</b>						
Accounts Payable	14,061	650,903	291,941	28,857	985,762	179,493
Salaries and Benefits Payable	26,512	70,480	3,105	11,465	111,562	34,790
Accrued Interest Payable	-0-	33,112	-0-	38,364	71,476	-0-
Claims and Judgements Payable	-0-	-0-	-0-	-0-	-0-	295,904
Deferred/Unearned Income	422,986	-0-	-0-	-0-	422,986	399,124
Deposits	19,018	550,851	-0-	54,312	624,181	-0-
Compensated Absences	-0-	-0-	-0-	-0-	-0-	76,282
Bonds Payable	-0-	305,000	-0-	200,000	505,000	-0-
Other Payables	-0-	342,630	-0-	150	342,780	-0-
Total Current Liabilities	482,577	1,952,976	295,046	333,148	3,063,747	985,593
<b>Noncurrent Liabilities</b>						
Compensated Absences	-0-	-0-	-0-	-0-	-0-	1,579,818
Bonds Payable	-0-	5,502,445	-0-	3,252,292	8,754,737	-0-
Notes Payable	-0-	12,749,220	-0-	-0-	12,749,220	-0-
Total Noncurrent Liabilities:	-0-	18,251,665	-0-	3,252,292	21,503,957	1,579,818
Total Liabilities	482,577	20,204,641	295,046	3,585,440	24,567,704	2,565,411
<b>NET ASSETS:</b>						
Invested In Capital Assets, Net of Related Debt	946,686	99,871,094	-0-	1,755,595	102,573,375	6,781,705
Unrestricted	7,229	12,676,671	7,363,967	367,009	20,414,876	10,558,154
Total Net Assets	\$ 953,915	\$ 112,547,765	\$ 7,363,967	\$ 2,122,604	122,988,251	\$ 17,339,859
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					736,341	
Net assets of business-type activities (page 35)					<u>\$ 123,724,592</u>	

The accompanying notes are an integral part of this financial statement.

# SANDY CITY

## Statement of Revenues, Expenses, and Changes in Fund Net Assets

### Proprietary Funds

For the Year Ended June 30, 2011

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
<b>Operating Revenues:</b>						
Charges for Sales and Services	\$ 700,452	\$ 19,249,349	\$ 4,138,607	\$ 1,205,931	\$ 25,294,339	\$ 6,766,993
Fees from Developers	-0-	236,603	-0-	-0-	236,603	-0-
Miscellaneous	-0-	-0-	-0-	-0-	-0-	26,028
Total Operating Revenues	700,452	19,485,952	4,138,607	1,205,931	25,530,942	6,793,021
<b>Operating Expenses:</b>						
Salaries and Benefits	753,911	1,789,475	245,866	489,406	3,278,658	1,834,305
Materials and Supplies	146,988	685,014	58,271	162,111	1,052,384	40,993
Contracted Services	52,900	402,790	-0-	41,776	497,466	1,215,678
Internal Charges	34,405	428,989	286,219	90,776	840,389	48,095
Administrative Charges	70,957	860,684	325,010	44,591	1,301,242	476,161
Cost of Goods Sold	41,175	4,114,913	3,220,085	238,311	7,614,484	1,263,551
Non-Capital Improvements	16,335	4,249,968	-0-	866	4,267,169	426,075
Depreciation	54,984	3,838,159	-0-	41,221	3,934,364	1,631,024
Total Operating Expenses	1,171,655	16,369,992	4,135,451	1,109,058	22,786,156	6,935,882
Operating Income (Loss)	(471,203)	3,115,960	3,156	96,873	2,744,786	(142,861)
<b>Nonoperating Revenues (Expenses):</b>						
Property Taxes	399,824	-0-	-0-	-0-	399,824	388,364
Interest Income	255	96,020	9,372	-0-	105,647	81,902
Cell Tower Lease	36,676	501,344	-0-	-0-	538,020	-0-
Equity Earnings from Joint Venture	-0-	-0-	14,318	-0-	14,318	-0-
Other Income (Expense)	2,507	16,079	-0-	5,142	23,728	-0-
Gain (Loss) on Disposal of Asset	-0-	3,037	-0-	-0-	3,037	130,076
Bond Interest Expense	-0-	(949,254)	-0-	(99,185)	(1,048,439)	-0-
Total Nonoperating Revenues (Expenses):	439,262	(332,774)	23,690	(94,043)	36,135	600,342
Income (Loss) Before Capital Contributions and Transfers	(31,941)	2,783,186	26,846	2,830	2,780,921	457,481
Contributions from Developers	-0-	(236,603)	-0-	-0-	(236,603)	-0-
Transfers In	-0-	-0-	-0-	203,894	203,894	-0-
Transfers Out	-0-	-0-	-0-	-0-	-0-	(20,000)
Total Contributions and Transfers	-0-	(236,603)	-0-	203,894	(32,709)	(20,000)
Change in Net Assets	(31,941)	2,546,583	26,846	206,724	2,748,212	437,481
Beginning Net Assets	985,856	110,001,182	7,337,121	1,915,880		16,902,378
Ending Net Assets	\$ 953,915	\$ 112,547,765	\$ 7,363,967	\$ 2,122,604		\$ 17,339,859
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(65,625)	
Change in net assets of business-type activities (page 37)					\$ 2,682,587	

The accompanying notes are an integral part of this financial statement.



**SANDY CITY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	<b>Business - Type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Alta Canyon Sports Center</b>	<b>Water</b>	<b>Waste</b>	<b>Golf</b>	<b>TOTALS</b>	
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers	\$ 696,454	\$ 19,659,351	\$ 4,141,365	\$ 1,241,891	\$ 25,739,061	\$ 6,793,678
Payments to Suppliers	(370,299)	(10,844,966)	(4,076,258)	(604,683)	(15,896,206)	(3,477,613)
Payments to Employees	(790,869)	(1,840,455)	(251,285)	(513,669)	(3,396,278)	(1,837,776)
Net Cash Provided (Used) by Operating Activities	(464,714)	6,973,930	(186,178)	123,539	6,446,577	1,478,289
<b>Cash Flows from Noncapital Financing Activities:</b>						
Tax Receipts	400,959	-0-	-0-	-0-	400,959	388,922
Transfers from Other Funds	-0-	-0-	-0-	203,894	203,894	(20,000)
Net Cash Provided (Used) by Noncapital Financing Activities	400,959	-0-	-0-	203,894	604,853	368,922
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition of Capital Assets	-0-	(4,311,155)	-0-	-0-	(4,311,155)	(1,246,915)
Cash Deposits for Construction	-0-	250,000	-0-	-0-	250,000	-0-
Capital Grants and Contributions	-0-	210,388	-0-	-0-	210,388	-0-
Principal Paid on Revenue Bonds	-0-	(506,500)	-0-	(195,000)	(701,500)	-0-
Interest Paid on Revenue Bonds	-0-	(944,695)	-0-	(132,931)	(1,077,626)	-0-
Proceeds from Cell Tower Leases	36,676	501,344	-0-	-0-	538,020	-0-
Proceeds from Sale of Capital Assets	-0-	14,592	-0-	-0-	14,592	177,156
Net Cash Provided (Used) by Capital and Related Financing Activities	36,676	(4,786,026)	-0-	(327,931)	(5,077,281)	(1,069,759)
<b>Cash Flows from Investing Activities:</b>						
Interest Income Received	255	96,020	9,372	-0-	105,647	81,902
Net Increase (Decrease) in Cash and Cash Equivalents	(26,824)	2,283,924	(176,806)	(498)	2,079,796	859,354
Cash and Cash Equivalents - Beginning of Year	159,028	8,896,732	1,704,050	25,348	10,785,158	11,719,987
Cash and Cash Equivalents - End of Year	\$ 132,204	\$ 11,180,656	\$ 1,527,244	\$ 24,850	\$ 12,864,954	\$ 12,579,341
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ (471,203)	\$ 3,115,960	\$ 3,156	\$ 96,873	\$ 2,744,786	\$ (142,860)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>						
Depreciation	54,984	3,838,159	-0-	41,221	3,934,364	1,631,024
Increase (Decrease) Due to Changes in:						
Accounts Receivables	3,064	260,567	2,758	12,721	279,110	657
Inventories	-0-	52,546	-0-	10,666	63,212	(63,174)
Prepaid Assets	-0-	-0-	208,950	-0-	208,950	(1)
Accounts Payable	(7,539)	(155,154)	(395,623)	(36,918)	(595,234)	56,265
Salaries and Benefits Payable	(36,958)	(50,980)	(5,419)	(24,263)	(117,620)	(3,622)
Deferred Revenue	(7,061)	-0-	-0-	-0-	(7,061)	-0-
Customer Deposits	(1)	(87,168)	-0-	23,239	(63,930)	-0-
Net Cash Provided (Used) by Operating Activities	\$ (464,714)	\$ 6,973,930	\$ (186,178)	\$ 123,539	\$ 6,446,577	\$ 1,478,289
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Contributions of Capital Assets From Developers	-0-	264,741	-0-	-0-	264,741	-0-
Increase in Investments in Joint Venture	-0-	-0-	14,318	-0-	14,318	-0-

The accompanying notes are an integral part of this financial statement.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

The City operates under the council-mayor optional form of government. The City Council, comprising seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

As required by Accounting Principles Generally Accepted in the United States of America (GAAP), these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Therefore, data from these units are combined with data of the primary government. Each blended unit has a June 30 year end.

**Blended Component Units**

The Sandy Redevelopment Agency (RDA) was legally created as authorized by the Utah Neighborhood Development Act. The City Council is designated by ordinance as the governing body of the RDA. Therefore, the RDA is part of the City's reporting entity because the City has accountability for all significant fiscal and operating matters. The RDA is reported as a major governmental fund.

The Alta Canyon Recreation Special Service District (the District) was legally created as authorized by the Utah Special Service District Act. The District is within the boundaries of the City and services the northeast quadrant. The District's Advisory Board comprises seven elected individuals. The Advisory Board establishes District policy, appoints the District officials, advises the City with respect to collection and disbursement of funds, and is responsible for funding deficits. The District also has the following powers: to sue and be sued, eminent domain, to enter into contracts, and to acquire and construct facilities. Of equal importance, no tax may be levied and no bonds will be issued unless authorized by a majority of the qualified voters of the District.

The City Council approves the District's budget, property tax rate, issuance of long-term debt, and can, at its discretion, dissolve the District. The District provides services which almost exclusively benefit the City. As of January 1, 2003, the District requested the City to take over the management of its daily operations. The District is reported as a blended component unit in the enterprise funds section of the financial statements.

**Investment in Joint Venture**

The City is a partner with neighboring cities in a joint venture known as Trans-Jordan Cities. The purpose of this joint venture is to provide solid waste management and disposal services. Investment in this joint venture is accounted for using the equity method (see note 9 on page 62).

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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**Related Organizations**

The City also has activities with Metropolitan Water District of Salt Lake and Sandy (MWDSLS). City Officials appoint members to the board of directors, but the City's accountability does not extend beyond making the appointments.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the activities of the primary government. For the most part, interfund activity has been removed from these statements. Governmental activities, which are largely supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are supported to a significant extent by charges for services.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include i) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds, proprietary funds, and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the basic financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. All governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All governmental fund financial statements are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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60 days. Principal revenue sources susceptible to accrual include property taxes, sales taxes, franchise taxes, special assessments, and interest on investments. Furthermore, expenditures are recorded when fund liabilities are incurred.

The enterprise and internal service fund financial statements are reported using the accrual basis of accounting. These funds are accounted for on a cost of services or "economic resources" measurement focus. This means all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets. The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Description of Funds**

The City reports the following major governmental funds:

The **general fund** is the government's primary operating fund. It accounts for the normal activities of the City (police, fire, public works, parks, community development, general government, etc.). These activities are funded principally by property taxes, sales and use taxes, franchise taxes, licenses, and permits.

The **storm water fund** accounts for the City's revenues and capital expenditures associated with drainage for storm water runoff.

The **debt service fund** is used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment.

The **capital projects fund** accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by proprietary funds. Capital projects funds allow the City to compile project cost data and demonstrate legal or contractual requirements regarding the use of the resources are fully satisfied. The principal source of funding is contributions from developers restricted for capital construction, transfers from the general fund, grants, and bonding. All funds received for a particular purpose are restricted and used specifically for that purpose.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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The **RDA fund** accounts for the City's revenues and expenditures associated with promoting new capital investment and job creation within the City.

The City reports the following major proprietary funds:

The **Alta Canyon Sports Center fund** accounts for the activities created by the Alta Canyon Recreation Special Service District. The main activity is a recreation center located within the District.

The **water fund** is used to account for the operations of the City's water utility.

The **waste fund** accounts for waste collection services provided by an independent contractor.

The **golf fund** is used to account for the City's golf course.

Additionally, the City reports the following fund type:

The **internal service funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The internal service funds include the fleet fund, the information services fund, the risk management fund, the equipment management fund, and the payroll management fund.

**Fund Balance Classifications**

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. Implementation of this statement had no impact on the beginning fund balances of the governmental funds.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports nonspendable balances, followed by restricted, committed, and unassigned. Fund balance classifications are summarized as follows:

**Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Fund balance amounts related to prepaid expenditures and inventories are classified as nonspendable.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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**Restricted** fund balance includes net fund resources that are subject to external constraints that have been placed on the use of the resources. External constraints can be imposed by creditors (such as through a debt covenant), grantors, contributors, laws or regulations of other governments, or law through constitutional provisions or enabling legislation. Restricted fund balances include storm water, bond proceeds restricted for construction, impact fees, Class "C" road funds, Redevelopment Agency (RDA), and liquor allotment.

**Committed** fund balance includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by a resolution approved by the City Council, the highest level of decision-making authority. Committed fund balance includes capital projects and debt service not classified above.

**Assigned** fund balance includes amounts that have been allocated with the intent to use the funds for a specific purpose, but that do not meet the criteria to be classified as restricted or committed.

**Unassigned** fund balance includes fund balance in the general fund that isn't otherwise classified.

The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The City reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City does not have a minimum fund balance policy. *Utah Code* 10-6-116(4) requires a minimum fund balance of 5 percent of total revenues be maintained in the general fund.

### **Budget Operation**

The City operates within the budget requirements as specified by Utah state law. The financial reports reflect the following budget standards:

1. For the fiscal year beginning July 1, the budget officer prepares a tentative budget which is presented to the City Council on or before the first regularly scheduled meeting in May.
2. By resolution, the City Council legally adopts the final budget on or before June 22, after appropriate public hearings have been held. However, if there is a change to the certified tax rate, the final budget can be adopted as late as August 17.
3. Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but increased appropriations require a public hearing prior to amending the budget. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.
4. Interim adjustments in estimated revenue and departmental appropriations during the fiscal year 2011

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have been included in the final budget approved by the City Council, as presented in the financial statements. These amendments were not material in relation to the original appropriations.

5. As determined by Utah state law, the level for which expenditures may not legally exceed appropriations is the departmental budget within a given fund.
6. Budgets for the general, special revenue, debt service (general purposes debt service fund only), and capital projects funds are adopted on a basis consistent with GAAP. Special assessment funds are grouped with debt service funds. Operating and capital budgets are required by Utah state law for proprietary fund types, although such budgets are not required to be presented in the financial statements. In addition, budgets for special assessment funds are not required by Utah state law.
7. All unexpended appropriations lapse at the end of the budget year. However, unexpended capital projects fund appropriations may be reappropriated by a resolution of the City Council without holding public hearings.

**Encumbrances**

Encumbrance accounting is not employed by the City.

**Cash, Cash Equivalents, and Investments**

The City complies with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The statement requires certain investments to be reported at fair value and the change in fair value to be included in revenues or expenses. The City's policy is to report all investments at fair value. The City's investment in the State Treasurer's Pool has a fair value equivalent to the value of the pool shares. In all statements, the City considers cash on hand, demand deposits, and highly liquid short-term investments as cash and cash equivalents.

**Inventory**

Inventories are stated at the lower of cost, determined on the first-in first-out basis, or market.

**Prepaid Assets**

Prepaid assets are accounted for using the consumption method in the governmental funds.

**Deferred Charges**

Deferred charges represent issuance costs on bonds which are amortized over the life of the issue using the bonds outstanding or straight-line method, which approximates the interest method.

**Interfund Transactions**

In the normal course of its operations, the City has various transactions between funds. Various City funds provide a number of services such as administrative, fleet operations, information services, insurance and risk management, etc. to other City funds. Charges are treated as revenues in the fund providing the service and

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as operating expenses in the fund receiving the service. Non-recurring and non-routine transfers are accounted for as changes in fund balance. Other transfers are recognized as transfers in and out, respectively, by the funds involved. Short-term payables are shown as due to/from other funds. Long-term payables are shown as advances to/from other funds.

**Water Rights**

Water stock, rights, and capacity are stated at cost.

**Capital Assets**

Capital assets, which include water rights and capacity, land, buildings and systems, improvements other than buildings, vehicles, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$7,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Depreciation on buildings and systems, improvements other than buildings, vehicles, machinery and equipment, and infrastructure (other than the roadway system) is computed using the straight-line method over the following estimated useful lives:

Wells	25 years
Water Tanks	25 years
Distribution Mains	33 years
Buildings and Structures	20-40 years
Pumps	8 years
Machinery and Equipment	5-10 years
Vehicles	5-15 years
Office Furniture and Equipment	5-10 years
Street Lights and Traffic Signals	30-50 years
Storm Water Improvements	40 years
Pools	30 years
Infrastructure	25 years

**Modified Approach**

With the implementation of GASB Statement No. 34, Sandy City began capitalizing roadway system infrastructure in fiscal year 2003. The City elected to follow the modified approach to account for this infrastructure. The City has made a commitment to preserve and maintain the roadway system of infrastructure assets at a condition level determined by the City. The City's Public Works department is responsible for determining the appropriate condition level at which the roadway system is to be maintained. The estimated



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historical cost of roadway system infrastructure up to July 1, 2002 was recorded in total along with corresponding accumulated depreciation. Amounts capitalized in connection with improvements that lengthen the life of the roadway system are not reported unless the improvements also increase its service potential. The City maintains an inventory of the roadway system and performs periodic condition assessments to establish that the predetermined condition level is being maintained. Annual estimates are made by the City of the amounts that must be expended to preserve and maintain the roadway system at the predetermined condition levels.

**Contributions**

Certain proprietary funds receive contributions for aid in construction from various sources and are reflected as non-operating revenue.

**Utility Revenue**

Throughout the year, revenue in the water, storm water, waste, and electric utility funds is recorded when billed. At year end, each fund records, as unbilled receivables and revenue, an amount which approximates revenue from the last meter reading or billing date at fiscal year end.

**Deferred Revenue**

Deferred property tax revenue as of June 30, 2011, consists of property taxes levied for fiscal year 2010-2011 and collected in advance or recorded as a receivable. Deferred special assessment revenue as of June 30, 2011, consists of special assessments levied but not collected or available to pay liabilities of the current period.

**Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between fund balance for total governmental funds and net assets for governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that some of the City's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and are therefore reported as

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receivables. The \$860,894 in receivables consists of \$514,418 of delinquent property taxes and \$346,476 of justice court receivables.

**Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The \$8,579,938 difference consists of \$12,248,476 of capital outlays less \$3,668,538 depreciation expense.

Another element of that reconciliation states that “the issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The \$4,978,000 represents only principal payments as no bonds were issued, refunded, or defeased during fiscal year 2011.

**Note 3 - Property Taxes**

The property tax revenue of Sandy City is collected and distributed by the Salt Lake County Treasurer as an agent for the City. Utah state laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

1. By March 1, the City notifies the County Commission to establish a proposed date, time, and place for a tax rate adoption hearing.
2. By March 31, the County Treasurer settles property taxes charged and collected for the previous year.
3. By June 8, the County Auditor sends valuation, certified tax rate, and levy worksheet forms to the City.
4. Before June 22, the City adopts a proposed tax rate and certifies the tax rate with the County Auditor.
5. Before July 22 (if the City adopts a tax rate higher than the certified tax rate), the County Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
6. By August 17, the City adopts the final tax rate and certifies the tax rate with the County Auditor.
7. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.
8. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.

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9. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has recorded a receivable and a corresponding deferred revenue for the assessed amount of those property taxes as of January 1, 2011. Most of the tax will not be received until the following fiscal year.

**Note 4 - Cash and Cash Equivalents**

Detailed cash and cash equivalent accounting records are maintained for each individual fund. However, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for investment purposes.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a "qualified depository." The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds. The Utah Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's deposits are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC), with the exception of the Gold International Sweep Account held with Zions Bank. The amount in this account as of June 30, 2011, was \$3,891,977. Deposits above \$250,000 per bank are exposed to credit risk. Of the City's bank balance deposit carrying value of \$3,429,115, \$250,000 was insured and the remaining amount was uninsured and uncollateralized. The City has no formal policy regarding deposit credit risk.

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A summary of restricted and unrestricted cash and cash equivalents at June 30, 2011 is as follows:

	<b>Cash and Cash Equivalents</b>
Unrestricted	\$ 46,231,664
Restricted	8,317,288
<b>Total</b>	<b>\$ 54,548,952</b>
Deposits	\$ 3,428,709
Investments	51,120,243
<b>Total</b>	<b>\$ 54,548,952</b>

**Note 5 - Investments**

The City's investments are governed by state statutes. City funds are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories; (2) repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository; (3) commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Service or Standard & Poor's; (4) bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less; (5) negotiable interest bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less; (6) obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds; (7) obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farms Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association; (8) the Utah State Treasurer's Investment Fund; and (9) fixed and variable rate corporate obligations that meet criteria under the Utah Money Management Act.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is an external investment pool administered by the Utah State Treasurer. The PTIF is available for investment of funds administered by any Utah public treasurer. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council which

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oversees the activities of the State Treasurer and the PTIF. Deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees which is allocated to each participant on the ratio of each participant's share to the total funds. The participant's monthly investment amount is based upon their average daily balance.

Twice a year, at June 30 and December 31, the investments are valued at fair value and participants are informed of the valuation factor that enables them to adjust their statement balances to fair value. As of June 30, 2011, the City's fair value investments in the PTIF was \$260,962 more than the amortized cost of \$40,894,859. The City's investments have been adjusted to show this increase in value. As of June 30, 2011, the City's \$41,155,821 investment in the PTIF had an average adjusted maturity of less than one year.

The City also invests in the Zions Liquid Asset Management (LAM) fund. The LAM fund invests in money market funds and short and intermediate-term fixed income securities (including taxable, tax-exempt or tax advantaged). The LAM fund meets the requirements of the Utah Money Management Act.

For the year ended June 30, 2011, the City's fair value investments in the LAM were \$10,973 less than the amortized cost of \$10,102,972. The City's LAM investment has been adjusted to show this decrease in value. As of June 30, 2011, the City's \$10,091,999 investment in the LAM fund had an average adjusted maturity of less than one year.

**Credit Risk**

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the Utah Money Management Act. The Act details authorized investments which are high-grade securities and, therefore, subject to very little credit risk except in the most unusual and unforeseen circumstances. The PTIF and LAM funds are not rated.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Utah Money Management Act. The Act requires the remaining term to maturity of investments not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

As of June 30, 2011, the City had no investments requiring risk disclosure.

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**Notes to the Financial Statements**  
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**Note 6 - Restricted Assets**

General fund activity in unexpended state road funds, during fiscal year 2011, that are required by Utah state law to be restricted for road construction and maintenance, are summarized as follows:

State Road Allotment	\$ 2,956,603
Expenditures: Highway Maintenance	<u>(2,956,603)</u>
Unexpended State Road Allotment	<u><u>\$ -0-</u></u>

**Debt Service Fund**

Pursuant to Utah state law and the bond indentures of the Auto Mall Special Improvement District Special Assessment Bonds, the City has created a Special Improvement Guarantee Fund. The assets of the Special Improvement Guarantee Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$196,000. As of June 30, 2011, the amount held of \$196,000 was in compliance with funding requirements.

Pursuant to Utah state law and the bond indentures of the South Towne Ridge Special Assessment Bonds, the City has created a Special Improvement District Fund. The assets of the Special Improvement District Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$76,200. As of June 30, 2011, the amount held of \$76,200 was in compliance with funding requirements.

Pursuant to the 2007B Subordinate Transient Room Tax and Annual Contribution Revenue Bonds, the City is required to have a debt service reserve of \$800,000. As of June 30, 2011, the City was in compliance with funding requirements.

Pursuant to the 2008 Community Development Tax Increment and Revenue Bonds (9400 South CDA) agreement, the City is required to have a debt service reserve of \$863,836. As of June 30, 2011, the City was in compliance with funding requirements.

**Governmental Funds**

Restricted assets represent unexpended receipts which are restricted for use on future capital projects. The changes in restricted balances during fiscal year 2011 are summarized as follows:

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	<b>Storm Water</b>	<b>Road Funds</b>	<b>Capital Projects Fund</b>	<b>RDA Fund</b>	<b>Debt Service Funds</b>
Balance - July 1, 2010	\$ 7,000,000	\$ 615,838	\$ 3,499,553	\$ 36,558	\$ 1,936,036
Additions:					
Fees, Bond Proceeds, and Transfers In	-0-	1,145,683	3,808,975	-0-	-0-
Interest Earnings	-0-	4,278	9,868	-0-	-0-
Reductions: Expenditures and Transfers Out	(5,057,520)	(999,777)	(4,298,399)	-0-	-0-
Balance - June 30, 2011	\$ 1,942,480	\$ 766,022	\$ 3,019,997	\$ 36,558	\$ 1,936,036

**Business-Type Funds**

There are no restricted assets in the business-type funds.

**Note 7 - Receivables**

The \$13,574,237 in governmental receivables found in the Statement of Net Assets consists of \$12,342,101 in taxes, \$428,000 in special assessments, \$639,860 in billing receivables, and \$164,276 in other receivables.

The \$2,495,223 in business-type activities receivables are comprised of \$2,892,618 in billing receivables (less \$766,728 allowance for uncollectible accounts), \$357,435 in taxes receivable, and other receivables of \$11,898. The City expects to collect all of these receivables during fiscal year 2012.

The water fund has \$1,172,000 in receivables that are not recorded as revenue or a receivable in the financial statements due to a high likelihood of being uncollectible. This receivable arises from a lease agreement between the water fund and the Jordanelle Special Improvement District (JSID) for water from the Ontario Drain Tunnel. The City is actively pursuing collection and revenue will be recorded when payment is received from JSID.

**Note 8 - Due From/To Other Funds**

Short term interfund loans at June 30, 2011 are summarized as follows:

<b>Fund</b>	<b>Due From Other Funds</b>	<b>Due to Other Funds</b>
<b>Governmental Funds:</b>		
Capital Projects	\$ 990,858	
Redevelopment Agency - South Towne		\$ 975,361
CDBG		15,497
<b>Total</b>	<b>\$ 990,858</b>	<b>\$ 990,858</b>

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The interfund loan for the CDBG is for expenses incurred in that fund that will be reimbursed by federal Community Development Block Grant funds the following year. The interfund loan for Redevelopment Agency will be recovered with tax increment received in fiscal year 2012.

**Note 9 - Joint Venture**

The City has a 30.53 percent ownership in Trans-Jordan Cities (the Association). The Association was organized in 1968 as a joint enterprise fund of the cities of Midvale, West Jordan, Murray, and Sandy, Utah. In 1997 the Association was joined by the City of South Jordan, and the Cities of Draper and Riverton joined in 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site situated east of Bingham Canyon in Salt Lake County. The percentage interest in operations for each of the entities is as follows:

Sandy City	30.53%
West Jordan City	24.41
Murray City	8.62
Midvale City	5.36
South Jordan	12.18
Draper	9.31
Riverton	<u>9.59</u>
Total	<u>100.00%</u>

The Association is governed by its own Board of Directors. Under the Organization Agreement, the board is composed of the Mayors, or their appointed representatives, of the seven participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

The following is a summary of audited financial information of the Association for the fiscal year ended June 30, 2011:

**Assets:**

Current Assets	\$ 13,957,265
Capital Assets - Net	5,125,135
Non Current Assets	<u>4,595,320</u>
Total Assets	<u>23,677,720</u>

**Liabilities:**

Current Liabilities	287,643
Noncurrent Liabilities	<u>4,535,666</u>
Total Liabilities	<u>4,823,309</u>



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**Net Assets:**

Invested in Capital Assets,	
Net of Related Debt	5,125,135
Restricted	164,282
Unrestricted	<u>13,564,994</u>
Total Net Assets	<u>\$ 18,854,411</u>

**Income Statement:**

Operating Revenue	\$ 5,571,603
Operating Expenses	<u>6,294,896</u>
Operating Loss	(723,293)
Non-Operating Income	679,393
Capital Contributions	<u>411,723</u>
Change in Net Assets	<u>\$ 367,823</u>

The City paid \$545,420 to the Association for landfill costs during fiscal year 2011. Complete financial statements for the Association may be obtained at the following address:

Trans-Jordan City Landfill  
PO Box 95610  
South Jordan, Utah 84095-0610

**Note 10 - Capital Assets**

The following tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2011:

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	Beginning Balance	Additions	Deletions	Ending Balance
<b>Government Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 217,417,904	\$ 3,775,893	\$ 2,096	\$ 221,191,701
Infrastructure	123,404,816	1,205,703	-0-	124,610,519
Construction in Progress	24,432,177	4,734,733	19,785,344	9,381,566
Total Capital Assets, Not Being Depreciated	365,254,897	9,716,329	19,787,440	355,183,786
Capital Assets, Being Depreciated:				
Buildings	36,420,213	2,465,620	-0-	38,885,833
Non-Building Improvements	21,818,224	17,095,141	-0-	38,913,365
Machinery and Equipment	8,979,514	232,822	176,381	9,035,955
Autos and Trucks	16,125,367	1,787,149	999,631	16,912,885
Street Lights	10,262,124	-0-	-0-	10,262,124
Storm Water	37,115,581	1,989,954	-0-	39,105,535
Total Capital Assets being depreciated	130,721,023	23,570,686	1,176,012	153,115,697
Less Accumulated Depreciation:				
Buildings	11,248,157	928,716	-0-	12,176,873
Non-Building Improvements	9,785,676	1,298,199	-0-	11,083,875
Machinery and Equipment	6,862,649	489,908	168,115	7,184,442
Autos and Trucks	10,921,901	1,293,423	952,165	11,263,159
Street Lights	3,450,721	342,071	-0-	3,792,792
Storm Water	11,644,562	947,245	-0-	12,591,807
Total Accumulated Depreciation	53,913,666	5,299,562	1,120,280	58,092,948
Total Capital Assets, Being Depreciated, Net	76,807,357	18,271,124	55,732	95,022,749
Governmental Activities Capital Assets, Net	\$ 442,062,254	\$ 27,987,453	\$ 19,843,172	\$ 450,206,535

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Water Rights & Capacity	\$ 40,400,658	\$ 49,983	\$ -0-	\$ 40,450,641
Land	6,887,234	-0-	-0-	6,887,234
Construction in Progress	10,459,086	528,828	9,393,618	1,594,296
Total Capital Assets, Not Being Depreciated	57,746,978	578,811	9,393,618	48,932,171
Capital Assets, Being Depreciated:				
Buildings	12,003,483	-0-	-0-	12,003,483
Non-Building Imprv	4,462,929	-0-	-0-	4,462,929
Main Lines	74,031,253	4,018,392	-0-	78,049,645
Wells	15,626,792	419,501	-0-	16,046,293
Storage Tanks	9,806,291	8,410,024	-0-	18,216,315
Pump Equipment	2,967,253	-0-	-0-	2,967,253
Pool	605,364	-0-	-0-	605,364
Autos and Trucks	1,126,538	32,692	35,025	1,124,205
Machinery and Equipment	1,068,693	95,750	92,500	1,071,943
Total Capital Assets being depreciated	121,698,596	12,976,359	127,525	134,547,430
Less Accumulated Depreciation:				
Buildings	1,881,413	297,777	-0-	2,179,190
Non-Building Improvements	2,781,852	116,260	-0-	2,898,112
Main Lines	33,959,040	2,279,109	-0-	36,238,149
Wells	5,325,602	574,237	-0-	5,899,839
Storage Tanks	6,970,608	423,911	-0-	7,394,519
Pump Equipment	2,616,554	53,942	-0-	2,670,496
Pool	504,014	20,179	-0-	524,193
Autos and Trucks	283,593	115,582	19,796	379,379
Machinery and Equipment	669,200	53,367	9,175	713,392
Total Accumulated Depreciation	54,991,876	3,934,364	28,971	58,897,269
Total Capital Assets, Being Depreciated, Net	66,706,720	9,041,995	98,554	75,650,161
Business-Type Activities Capital Assets, Net	\$ 124,453,698	\$ 9,620,806	\$ 9,492,172	\$ 124,582,332

**SANDY CITY**  
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Depreciation expense for the year ended June 30, 2011, for governmental and business-type activities is shown in the following table:

**Governmental Activities:**

General Government	\$ 346,427
Police and Animal Control	183,012
Fire	217,077
Public Works	291,696
Parks, Landscapes and Cemetery	1,000,162
Community Development	42,952
Economic Development	8,430
Recreation and Cultural Events	262,402
Electric Utility	354,156
Storm Water Utility	962,224
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,631,024
Total Depreciation Expense - Governmental Activities	<u>\$ 5,299,562</u>

**Business-Type Activities**

Alta Canyon Sports Center	\$ 54,984
Water	3,838,159
Golf Course	41,221
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,934,364</u>

**Investment in Water Stock, Rights, and Capacity**

The water fund had the following investments in water stock, rights, and capacity at June 30, 2011:

Water Stock:	<u>Shares</u>	<u>Cost</u>
Bell Canyon Irrigation Company	1,895	\$ 469,657
Cahoon and Maxfield Irrigation Company	50	1,856
Draper Irrigation Company	125	131,255
East Jordan Irrigation Company	179	394,680
Granite Water Company	277	361,399
Last Chance Ditch Company	504	26,437
Little Cottonwood Water Company	11,358	113,580
Nickle Irrigation Company	1,084	196,161
Sandy Canal Company	275	182,563
Sandy Irrigation Company	1,944	993,401
Tanner Ditch Company	6	611

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Water Stock (continued):	<u>Shares</u>	<u>Cost</u>
Union East Jordan Irrigation Company	947	52,169
Walker Ditch	7	272
Welby Jacob Water Users Company	9	9,050
Provo Reservoir Water Users Company	151	818,141
Provo Bench Canal and Irrigation Company	1	27,975
North Jordan Irrigation Company	84	<u>199,500</u>
Total Water Stock		3,978,707
 Water Rights - Thompson and Lym Ditches		38,581
Water Capacity		<u>36,433,353</u>
Total Water Stock, Rights and Capacity		<u>\$40,450,641</u>

**Note 11 - Long-Term Liabilities**

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. All other long-term obligations of the City are accounted for in the governmental activities of the government-wide statements. The following table summarizes changes in long-term obligations for the year ended June 30, 2011:

**SANDY CITY**  
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	Rate (%)	Amount of Original Issue (bonds only)	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Due Within One Year
<b>Governmental Activities</b>							
<b>General Obligation Bonds</b>							
2005 General Obligation Bonds	3.60 to 5.50	\$ 3,650,000	\$ 1,090,000	\$ -0-	\$ 710,000	\$ 380,000	\$ 380,000
<b>Revenue Bonds</b>							
2002 Sales Tax Revenue	3.00 to 5.25	10,180,000	1,390,000	-0-	680,000	710,000	710,000
2003 Sales Tax Revenue	1.75 to 4.60	7,225,000	3,150,000	-0-	170,000	2,980,000	175,000
2004 Sales Tax Revenue	3.00 to 5.00	16,520,000	11,760,000	-0-	900,000	10,860,000	950,000
2007 Motor Fuel Excise Tax	4.00 to 5.00	6,360,000	6,010,000	-0-	775,000	5,235,000	785,000
2007 Transient Room Tax	4.88	35,000,000	33,990,000	-0-	650,000	33,340,000	755,000
2009 Sales Tax Revenue	1.35 to 6.18	7,140,000	7,140,000	-0-	280,000	6,860,000	280,000
2010 Sales Tax Refunding	2.00 to 5.00	4,246,242	4,246,242	-0-	-0-	4,246,242	-0-
<b>Special Assessment Bonds</b>							
2002 Auto Mall Refunding	2.73 to 4.83	1,960,000	720,000	-0-	230,000	490,000	240,000
2002B South Towne Ridge Road	2.80 to 4.80	762,000	261,000	-0-	83,000	178,000	87,000
<b>Tax Increment Bonds</b>							
2008 Tax Increment Bond	4.84	11,040,000	11,040,000	-0-	335,000	10,705,000	350,000
<b>Notes Payable</b>							
HUD Section 108 Loan	2.62 to 4.62	2,515,000	1,175,000	-0-	165,000	1,010,000	175,000
<b>Long-Term Compensated Absences</b>		-0-	1,090,445	45,169	42,864	1,092,750	-0-
<b>Internal Service Fund Debt</b>							
Compensated Absences		-0-	1,627,277	199,190	170,367	1,656,100	76,282
Total Governmental Long-Term Obligations		106,598,242	84,689,964	244,359	5,191,231	79,743,092	4,963,282
<b>Business-Type Activities</b>							
<b>Revenue Bonds</b>							
2002B Sales Tax Revenue (Golf)	3.00 to 5.00	4,550,000	605,000	-0-	195,000	410,000	200,000
2004 Water Revenue and Refunding	2.50 to 5.00	9,965,000	6,075,000	-0-	295,000	5,780,000	305,000
2010 Sales Tax Refunding (Golf)	2.00 to 5.00	2,823,758	2,823,758	-0-	-0-	2,823,758	-0-
<b>Long-Term Contract Payable</b>		13,832,100	13,303,350	-0-	211,500	13,091,850	342,630
Total Business-Type Long-Term Obligations		31,170,858	22,807,108	-0-	701,500	22,105,608	847,630
<b>Total Government Wide Long-Term Obligations</b>		<b>\$137,769,100</b>	<b>\$107,497,072</b>	<b>\$ 244,359</b>	<b>\$ 5,892,731</b>	<b>\$101,848,700</b>	<b>\$ 5,810,912</b>

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The annual debt requirements to maturity, including principal and interest, as of June 30, 2011 are listed in the following table:

Year Ending June 30	Governmental Activities							
	General Obligation Bonds		Revenue Bonds		Special Assessment Bonds		Tax Increment Bond	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 380,000	\$ 7,600	\$ 3,655,000	\$ 2,973,181	\$ 327,000	\$ 31,904	\$ 350,000	\$ 509,652
2013	-0-	-0-	3,845,000	2,823,748	341,000	16,443	370,000	492,228
2014	-0-	-0-	4,215,920	2,652,046	-0-	-0-	390,000	473,836
2015	-0-	-0-	4,444,287	2,486,330	-0-	-0-	405,000	454,597
2016	-0-	-0-	4,755,565	2,291,621	-0-	-0-	425,000	434,511
2017-2021	-0-	-0-	18,970,471	8,327,863	-0-	-0-	8,765,000	994,257
2022-2026	-0-	-0-	16,455,000	4,165,260	-0-	-0-	-0-	-0-
2027-2031	-0-	-0-	7,890,000	504,933	-0-	-0-	-0-	-0-
Subtotal	380,000	\$ 7,600	64,231,243	\$26,224,982	668,000	\$ 48,347	10,705,000	\$3,359,081
Less: Unamortized (Premiums), Discounts, and Costs	(6,054)		681,683		7,791		117,722	
<b>Net Debt</b>	<u>\$ 386,054</u>		<u>\$ 63,549,560</u>		<u>\$ 660,209</u>		<u>\$ 10,587,278</u>	

Year Ending June 30	Governmental Activities (Continued)				Business-Type Activities	
	Notes & Other Payables		Totals		Bonds & Other Payables	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 175,000	\$ 37,128	\$ 4,887,000	\$ 3,559,465	\$ 847,630	\$ 1,000,249
2013	190,000	30,489	4,746,000	3,362,908	910,700	964,849
2014	200,000	22,860	4,805,920	3,148,742	975,930	925,214
2015	215,000	14,410	5,064,287	2,955,337	1,025,633	883,017
2016	230,000	4,980	5,410,565	2,731,112	1,078,965	840,833
2017-2021	-0-	-0-	27,735,471	9,322,120	6,234,799	3,400,074
2022-2026	-0-	-0-	16,455,000	4,165,260	6,277,430	1,829,617
2027-2031	-0-	-0-	7,890,000	504,933	4,754,520	668,655
Subtotal	1,010,000	\$ 109,867	76,994,243	\$29,749,877	22,105,607	\$ 10,512,508
Less: Unamortized (Premiums), Discounts, and Costs	3,746		804,888		157,636	
<b>Net Debt</b>	<u>\$ 1,006,254</u>		<u>\$ 76,189,355</u>		<u>\$21,947,971</u>	

**General Obligation Bonds**

On September 27, 2005, the City issued \$3,650,000 in General Obligation Refunding Bonds (Series 2005) with a maturity date of December 15, 2011 at an average interest rate of 3.865 percent to advance refund \$3,670,000 of the outstanding 1995 Series bonds with interest rates of 3.60 to 5.50 percent. The net proceeds of \$3,738,640 (after a City transfer of \$63,000, an issuance premium of \$90,797, and \$65,157 in miscellaneous

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issuance costs) were used to purchase U.S. Treasury Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1995 Series bonds. As a result, the 1995 Series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The 2005 General Obligation Refunding Bonds are not subject to redemption prior to maturity.

**Special Improvement Bonds with Governmental Commitment**

Principal and interest on special improvement bonds are paid, in whole or in part, from pledged special assessment collections. The primary source of repayment of the special assessment debt is assessments against the benefitted property owners. This debt is secured by liens on assessed property and is also backed by the full faith and credit of the City as additional security (see debt service reserve requirement in note 6 on page 60).

A separate fund, the Special Improvement Debt Service Fund, has been established to contain the receipts derived by the City from the special assessments levied upon the property included in the special improvement districts together with interest on the assessments and, if necessary, additional funds transferred by the City to the debt service fund. Under the terms of the special improvement bond resolutions and state law, the City has agreed to maintain a special improvement guarantee account for the benefit of the bondholders.

On September 1, 2002, the City issued \$1,960,000 in Special Assessment Refunding Bonds (Auto Mall) at rates from 2.73 to 4.83 percent with a final maturity date of September 1, 2012. This bond replaced the 1993 Special Assessment Bonds. The Special Improvement District No. 90-1 (Auto Mall) was originally established by the City for the purpose of making improvements within the District. Assessments have been levied against the property included within the District to finance the cost of the improvements, all in conformance with and subject to the requirements of the Improvement District Act. The total principal and interest remaining to be paid on the bonds is \$525,478. The bonds are subject to redemption at any time. The redemption of the bonds will be at par, plus accrued interest to the date of redemption.

On December 19, 2002, the City issued \$762,000 in Special Assessment Bonds at rates from 2.80 to 4.80 percent with a final maturity date of December 15, 2012. The Special Improvement District No. 2000-1 (South Towne Ridge Road) was established by the City to acquire land and rights of way, to construct roads, and to install water, sewer, and storm drain improvements. The total principal and interest remaining to be paid on the bonds is \$190,869. The bonds maturing on or before December 15, 2007, are not subject to optional redemption. The bonds maturing on and after December 15, 2008, are subject to optional redemption in whole or in part and any day after December 15, 2007. The redemption price is equal to 100 percent of the principal amount to be redeemed, plus accrued interest to the redemption date.

It is estimated that 100 percent of pledged special assessment collections will be used to pay principal and interest on the special assessment bonds.

**Motor Fuel Bonds**

On November 9, 2007, the City issued \$6,360,000 in Motor Fuel Excise Tax Revenue Bonds (Series 2007) at rates from 4.00 to 5.00 percent with a final maturity date of January 15, 2017. The bonds were issued

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to i) finance the acquisition, construction, and improvements of roads and related improvements, and ii) pay the closing costs of issuing the Series 2007 bonds. The City has pledged motor and special fuel excise taxes (Class C road funds) as collateral for these revenue bonds. The remaining principal and interest payments total \$6,133,150. The Series 2007 bonds are not callable for redemption prior to maturity.

For the current year, principal and interest paid and total motor fuel excise tax revenues were \$1,043,150 and \$2,956,603, respectively. It is estimated that annual principal and interest payments on the bonds will require approximately 37 percent of motor fuel excise tax revenues.

**Water Bonds**

On April 22, 2004, the Water Utility issued \$9,965,000 in Water Revenue and Refunding Bonds (Series 2004) at rates from 2.50 to 5.00 percent with a final maturity date of November 15, 2025. The bonds were issued for the purpose of i) refunding all of the City's outstanding Water Revenue and Refunding Bonds, Series 1993A, ii) financing costs of certain improvements to the City's water system, and iii) paying costs of issuance of the Series 2004 bonds. The bonds are payable solely by a pledge and assignment of water system revenues, after payment of operation and maintenance expenses. The total principal and interest remaining to be paid on the bonds is \$7,892,413. Principal and interest paid for the current year and net available revenues were \$563,803 and \$11,063,063, respectively. It is estimated that annual principal and interest payments are expected to require approximately 6 percent of net revenues.

The bonds maturing on or before November 15, 2014, are not subject to optional redemption prior to maturity. Bonds maturing on or after November 15, 2015, are subject to redemption at the option of the City on November 15, 2014, and on any date thereafter prior to maturity. The redemption price will be equal to 100 percent of the principal amount of the bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

The bond resolution approved in conjunction with the issuance of the Series 2004 bonds provides, among other things, that certain funds be established and certain accounting procedures be followed. Under the terms of the resolution, the City will establish and collect rates and charges (including impact fees and connection fees) which are reasonably expected to produce net revenues equal to 110 percent of the aggregate annual debt service requirement for such year.

**Sales Tax Revenue Bonds**

Sales Tax Revenue Bonds are special limited obligations of the City backed by the sales and use taxes levied by the City under the Local Sales and Use Tax Act.

On February 15, 2002, the City issued \$10,180,000 in Sales Tax Revenue Bonds (Series 2002) at rates from 3.00 to 5.25 percent with a final maturity date of September 15, 2016. The bonds were issued to finance the costs associated with acquiring, constructing, and equipping certain storm drain improvements and paying the costs of issuing the bonds. Total principal and interest remaining on the bonds is \$725,088. The bonds maturing on or prior to September 15, 2011, are not subject to redemption prior to maturity, while those maturing on or after September 15, 2012, are subject to redemption at the election of the City on March 15, 2012, and on any date thereafter. The redemption price is equal to 100 percent of the principal amount plus accrued



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interest. \$4,180,000 in principal was advance refunded during fiscal year 2010 with the Series 2010 Sales Tax Revenue Refunding Bonds.

On July 1, 2002, the City issued \$4,550,000 in Sales Tax Revenue Bonds (Series 2002B) at rates from 3.00 to 5.00 percent with a final maturity date of September 15, 2023. The bonds were issued to finance costs associated with acquiring, constructing, and equipping a golf course (River Oaks), park improvements, and paying the costs of issuing the bonds. Total principal and interest remaining on the bonds is \$428,388. The bonds maturing on or prior to September 15, 2012, are not subject to redemption prior to maturity, while those maturing on or after September 15, 2012, are subject to redemption at the election of the City on September 15, 2012, and on any date thereafter. The redemption price is equal to 100 percent of the principal amount plus accrued interest. \$2,780,000 of principal was advance refunded during fiscal year 2010 with the Series 2010 Sales Tax Revenue Refunding Bonds.

On August 15, 2003, the City issued \$7,225,000 in Sales Tax Revenue Bonds (Series 2003) at rates from 1.75 to 4.60 percent with a final maturity date of September 15, 2023. The bonds were issued to finance the costs associated with i) acquiring a justice court building, ii) refunding the 1996 Motor Fuel Excise Tax Revenue bonds and the 1994B Lease Revenue bonds, and iii) paying issuance costs of the bonds. Remaining principal and interest payments on the bonds total \$3,909,014. The bonds maturing on or before September 15, 2013, are not subject to optional redemption prior to maturity, while those maturing on or after September 15, 2014, are subject to redemption at the election of the City. The redemption price is equal to 100 percent of the principal amount plus accrued interest.

On November 1, 2004, the City issued \$16,520,000 in Sales Tax and Refunding Bonds (Series 2004) at rates from 3.00 to 5.00 percent with a final maturity date of June 15, 2020. The bonds were issued to i) refund the 1998C and 1999 Municipal Building Authority Lease Revenue Bonds, ii) finance the costs associated with the acquisition, construction and equipping of road improvements, park improvements and other City-owned capital improvements, and iii) pay costs associated with the issuance of the 2004 bonds. The total principal and interest remaining to be paid on the bonds is \$13,667,288. The 2004 bonds maturing on or after June 15, 2014, are not subject to optional redemption prior to maturity. The 2004 bonds maturing on or after June 15, 2015, are subject to redemption at the option of the City on June 15, 2014, and on any date thereafter prior to maturity at a redemption price equal to 100 percent of the principal amount of the 2004 bonds to be redeemed, plus accrued interest thereon on the redemption date.

On December 2, 2009, the City issued \$7,140,000 in taxable Sales Tax Revenue Bonds (Series 2009). The City has elected to treat the Series 2009 bonds as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 and to receive a cash subsidy from the United States Treasury equal to 35 percent of the interest payable on the Series 2009 bonds. Any interest cash subsidies received from the United States Treasury are treated as pledged revenue. The bond proceeds were used to i) finance the acquisition and construction of improvements to the City's storm drain system and related improvements and ii) pay the costs of issuing the Series 2009 bonds. The total principal and interest remaining to be paid on the bonds is \$9,420,857 (excludes United States Treasury subsidy). The Series 2009 bonds have a maturity date of September 15, 2024, at interest rates ranging from 1.35 to 6.18 percent. The Series 2009 bonds maturing

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on or after September 15, 2010, are subject to redemption at the option of the City at a redemption price equal to 100 percent of bonds to be redeemed plus accrued interest up to the date of redemption.

On March 23, 2010, the City issued \$7,070,000 in Sales Tax Revenue Refunding Bonds (Series 2010) at interest rates from 2.00 to 5.00 percent with a final maturity date of September 15, 2022. The bonds were issued to partially advance refund the 2002A and 2002B Sales Tax Revenue Bonds and to pay the costs of issuing the Series 2010 bonds. The total principal and interest remaining to be paid on the bonds is \$8,479,959. The 2010 bonds maturing on or before September 15, 2019, are not subject to redemption at the option of the City. The 2010 bonds maturing after September 15, 2019, are subject to redemption at the option of the City at a redemption price equal to 100 percent of bonds to be redeemed plus accrued interest up to the date of redemption.

Principal and interest paid for the current year on all outstanding Sales Tax Revenue Bonds and total sales and use tax revenues were \$3,562,150 and \$15,703,214, respectively. It is estimated approximately 23 percent of sales and use tax revenues will be used for annual principal and interest payments.

**Transient Room Tax Revenue Bonds**

On August 21, 2007, the City's Redevelopment Agency issued \$27,000,000 in Transient Room Tax Revenue Bonds, Series 2007A, and \$8,000,000 in Subordinate Transient Room Tax and Annual Contribution Revenue Bonds, Series 2007B, at a 4.88 interest rate with a final maturity date of July 15, 2027. The bonds were issued to i) finance the costs of acquiring land for a new soccer stadium and related facilities, ii) acquire and construct infrastructure, parking, landscaping, and related improvements in connection with such stadium to be built in the City and more specifically within the Community Development Project Area, and iii) pay costs associated with the issuance of the bonds. The total amount of principal and interest remaining to be paid on the bonds is \$50,420,732. The City's portion of the transient room tax has been pledged as collateral for these bonds. Annual principal and interest payments on the bonds are estimated to require 100 percent of transient room tax revenues.

For both the Series 2007A and 2007B bonds, up to \$1,000,000 in aggregate principal amounts are subject to redemption, but only from excess revenues, at the option of the issuer on any interest payment date prior to maturity. The redemption price is equal to 100 percent of the principal amount of the Series 2007A and Subordinate Series 2007B bonds to be redeemed, plus accrued interest thereon to the redemption date.

Series 2007A and 2007B bonds maturing on or after July 15, 2018, are also subject to redemption at the option of the issuer on July 15, 2017, and on any date thereafter prior to maturity, in whole or in part, at a redemption price of 100 percent of the principal amount of the bonds to be redeemed, plus accrued interest to the date of redemption.

**Tax Increment Bonds**

On August 4, 2008, the Sandy City Redevelopment Agency issued \$11,040,000 in Community Development Tax Increment and Revenue Bonds (9400 South CDA) Series 2008. The bonds are secured by a first lien pledge of the incremental property taxes generated by the ReAL soccer stadium project as well as an additional \$1,000,000 pledge of the City's municipal energy sales and use taxes. The bond proceeds were

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used to i) finance the construction of certain improvements related to the ReAL soccer stadium, ii) fund a deposit of \$863,836 to the debt service reserve fund, and iii) pay costs associated with the issuance of the Series 2008 bonds. The total amount of principal and interest remaining to be paid on the bonds is \$14,064,081. It is estimated 100 percent of the 9400 South CDA tax increment will be required for annual principal and interest payments. In addition, it is estimated 10 percent of the \$1,000,000 municipal energy sales and use tax pledge will be required to meet debt service requirements of the bond.

The Series 2008 bonds have a maturity date of July 15, 2018, an interest rate of 4.84 percent, and are callable on any payment date at 103 percent of par up to July 15, 2015. On July 15, 2015 the Series 2008 bonds are callable at 100 percent of par payable on any payment date.

**Notes Payable**

On June 6, 1996, the City issued a \$2,515,000 note, guaranteed by the U.S. Department of Housing and Urban Development (HUD), for the creation of a Senior Citizen's Center. The remaining balance of \$1,325,000 was refinanced on June 12, 2008, at interest rates ranging from 2.62 to 4.62 percent. The final maturity date of August 1, 2015 remained unchanged.

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned vacation benefits. All vacation pay is accrued when incurred in the government-wide financial statements. The liability for these amounts is funded in the payroll management fund, an internal service fund, for proprietary funds and governmental funds if they have matured. For governmental funds, any compensated absence liability has typically been liquidated by the general fund.

**Contracts Payable**

During fiscal year 2005, the City acquired preferential water rights for water produced from the Ontario Drain Tunnel through MWDSLs. MWDSLs issued \$81,750,000 in Series 2005A and Series 2005B Water Revenue Bonds bearing interest rates from 3.00 percent to 5.00 percent. The City will pay 16.92 percent of this debt to MWDSLs over 27 years (the life of the debt).

**Note 12 - Industrial Development Revenue Bonds**

The City issued industrial development revenue bonds for the benefit of various developers to aid in building a commercial base within Sandy City limits. Principal and interest payments of such industrial development revenue bonds are made entirely by the various developers. The City is not liable for these bonds even if developers can no longer make the payments. These bonds were paid in full by the various developers during fiscal year.

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**Note 13 - Pension Plans**

**Plan Description**

The state of Utah requires all agencies with public employees to contribute to Utah State Retirement Systems (USRS). Based upon the type of public employee and their retirement elections, the City contributes to various plans within the USRS: the Local Governmental Contributory Retirement System, the Local Governmental Non-Contributory Retirement System, the Public Safety Retirement System Non-Contributory for employers without Social Security coverage, and the Firefighters Retirement System for employers without Social Security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the USRS. USRS provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the state legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended which also establishes the Utah State Retirement Office. Chapter 49 places the Systems, the Office, and related plans and programs under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the systems and plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

**Funding Policy**

Plan members in the Local Government Contributory Retirement System are required to contribute based upon participating employees' annual salaries. The contribution rates in effect from July 1, 2010 through June 30, 2011 are as follows:

	<b>Employee Paid</b>	<b>Employee Contributions Paid by City (100% Vested)</b>	<b>City's Matching Contributions</b>	<b>Total Contribution</b>
Local Government Contributory Retirement System	N/A	6.00 %	9.36 %	15.36 %
Local Government Non-Contributory Retirement System	N/A	N/A	13.37	13.37
Public Safety Retirement System Non-Contributory for employers without Social Security coverage	N/A	N/A	28.24	28.24
Firefighters' Retirement System for employers without Social Security coverage	N/A	16.18	N/A	16.18

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The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

**Trend Information**

The following contributions have been made in the past three years and were equal to the required contributions for each fiscal year ending on June 30th:

	2009	2010	2011
Local Governmental Contributory Retirement System	\$ 131,236	\$ 121,275	\$ 140,839
Local Governmental Non-Contributory Retirement System	1,554,861	1,469,828	1,712,272
Public Safety Retirement System Contributory for employers without Social Security coverage	N/A	N/A	N/A
Public Safety Retirement System Non-Contributory for employers without Social Security coverage	1,433,694	1,409,316	1,504,159
Firefighters Retirement System for employers without Social Security coverage	407,663	371,756	615,421
Total	\$ 3,527,454	\$ 3,372,175	\$ 3,972,691

**Note 14 - Deferred Compensation Plans**

The City offers its employees a 457 deferred compensation plan and 401(K) defined contribution tax-sheltered annuity plan. Both plans are provided for within the Internal Revenue Code. The plans, assets, and associated liabilities are administered by external agencies: ICMA Retirement Corporation and USRS. The plans, available to all City employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All ownership and associated interest of the plan is held solely for the benefit of the employees. As a result, the City does not carry the assets or associated liabilities in the City's financial statements.

The City contributes to a 401(K) plan for and on behalf of its public employees, elected and appointed officials, and City Council members. Temporary and seasonal employees receive a City-provided 457 plan contribution. The City Council authorizes a percentage based upon an employees base wage to be contributed into deferred compensation plans: 17.95 percent for full-time employees (excluding police officers), 28.64 percent for police officers, 8.05 percent for the mayor and council members, and 7.50 percent for temporary and seasonal employees. As noted previously, the USRS deferred compensation rate is actuarially determined by the state depending upon employee classification. The required contribution rates to the 401(K) plan equal the City Council authorized amount less the USRS mandated rate and are as follows: Public employees covered under the Non-Contributory State Retirement 4.18 percent, public employees covered under the Contributory State Retirement 2.19 percent, elected/appointed Officials 17.95 percent, firefighters 1.77 percent,

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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and City Council members 8.05 percent. Because the deferred compensation rate for the Public Safety Retirement System equals 28.24 percent, the City does not pay into the 401(k) plan for police officers. The required contribution rate to the 457 plan on behalf of temporary and seasonal employees is 7.50 percent. The City's total contributions were \$1,305,481 which is 3.5 percent of the \$36,908,026 in total payroll for covered employees for the year ended June 30, 2011. The City's and employee's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. In addition, all employees are eligible to participate in an elective deferral plan which permits them to defer a portion of their salary until future years. The total contributions made by the employees were \$1,236,394 for the year ended June 30, 2011. At June 30, 2011, the City has made all payments to the plan administrator to satisfy this funding requirement.

**Note 15 - Post Employment Benefits**

The City allows terminated or retired employees to continue their health insurance benefits for a period of 18 months after the employee's termination or retirement date. The City will pay up to two months of these premiums for an employee and their plan dependents in the event that i) a current full or part time employee dies or ii) a full or part time employee is approved for disability due to their diagnosis as terminally ill. All other terminated or retired employees are required to pay the full cost of such extended health insurance coverage. As of June 30, 2011, six employees had elected to participate in this post-employment benefit program, bearing the full cost of the insurance coverage. The administrative costs to the City for such benefits were not significant, and the City does not have a post employment benefit (OPEB) liability.

**Note 16 - Vacation and Sick Leave**

The City permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary funds financial statements.

Employees can accrue vacation days at various rates depending upon length of service. There are no requirements that vacation leave be taken, but the maximum permissible accumulation is 320 hours except for firefighters who can accumulate 480 hours. At termination, employees are paid for any unused accumulated vacation leave.

The payroll management fund, an internal service fund, contains the City's entire compensated absences liability except for the long-term liability portion of the general fund. The long-term liability portion in the general fund is considered to be any amount in excess of what an employee can accrue in one year. As of June 30, 2011, the general fund long-term liability portion is \$1,092,750.

Employees earn sick leave at the rate of 12 days per year. Unused sick leave may be carried forward to subsequent years. An unlimited amount of sick leave can be accumulated if an employee is not participating in the Retiree Health Savings (RHS) plan. Members of the RHS plan may accumulate 480 hours of sick leave, except for firefighters who may accrue a maximum of 520 hours.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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**Note 17 - Commitments and Contingencies**

The City is a defendant in various claims and suits arising from the ordinary course of business. The City's legal counsel believes it has meritorious defenses and any liability resulting from these matters would not be material. Accordingly, no provision for loss related to litigation has been made in the accompanying financial statements.

Commitments for major construction and capital improvements projects totaled \$3,571,649 at June 30, 2011.

The Sandy City Redevelopment Agency (RDA), a governmental-type fund, has eight outstanding commitments for payment of tax increment. The following is a schedule of estimated future payments to all of these entities as of June 30, 2011. The Macerich, Thackeray, Worker's Compensation Fund, Hyatt Canal, Woodbury, and Sandy City commitments are not based on taxable value (each is a flat amount). The remaining payments are estimated based on 2011 property tax rates and values:

	2012	2013	2014	2015	2016	2017-2021	2022-2026
Salt Lake County Sewer District	\$ 26,874	\$ 26,874	\$ 26,874	\$ 26,874	\$ 26,874	\$ 80,622	\$ -0-
Canyons School District	839,220	943,499	555,270	555,270	637,310	3,167,536	824,393
Boyer Company	30,143	30,143	30,143	30,143	30,143	-0-	-0-
Macerich Company	500,000	500,000	-0-	-0-	-0-	-0-	-0-
The Thackeray Company	300,000	300,000	-0-	-0-	-0-	-0-	-0-
Workers Compensation Fund	318,538	318,538	318,538	318,538	318,538	955,614	-0-
Hyatt Canal	144,373	144,373	144,373	144,373	-0-	-0-	-0-
Woodbury Corporation (Sandy Park Center)	58,334	-0-	-0-	-0-	-0-	-0-	-0-
Woodbury Corporation (Hilton Garden Inn)	125,000	125,000	125,000	-0-	-0-	-0-	-0-
Sandy City	80,000	80,000	80,000	80,000	27,918	-0-	-0-
<b>Total</b>	<b>\$ 2,422,482</b>	<b>\$ 2,468,427</b>	<b>\$ 1,280,198</b>	<b>\$ 1,155,198</b>	<b>\$ 1,040,783</b>	<b>\$ 4,203,772</b>	<b>\$ 824,393</b>

The public utilities department, an enterprise fund, currently has a long-term commitment payable to MWDSLS for various capital improvements. The following is a schedule of future payments due to MWDSLS for capital improvements as of June 30, 2011:

	Water Fund
2012	\$ 4,210,322
2013	4,210,322
2014	4,210,322
2015	4,210,322
2016	4,210,322
2017-2021	21,051,610
2022-2026	21,051,610
2027-2031	21,051,610
2032-2036	16,841,288
<b>Total</b>	<b>\$ 101,047,728</b>

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**Notes to the Financial Statements**  
**June 30, 2011**

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In the normal course of operations, the City receives grant funds from various federal agencies. The grant operations are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed to be material.

**Note 18 - Transfers In/Out**

During the course of normal operations, the City has transfers between the various funds. The principal purposes of the City's interfund transfers are debt service and capital projects. Transfers in and out for the year ended June 30, 2011 are summarized as follows:

<b>Transfers Out From:</b>								
	<b>General</b>	<b>Storm Water</b>	<b>Capital Projects</b>	<b>RDA</b>	<b>Other Governmental Funds</b>	<b>Internal Service Funds</b>	<b>Total Transfers In</b>	
<b>Transfers In to the Following Funds:</b>								
General	\$ -0-	\$ -0-	\$ 220,920	\$ 40,000	\$ -0-	\$ -0-	\$ 260,920	
Storm Water	-0-	-0-	-0-	161,803	-0-	-0-	161,803	
Debt Service	911,073	1,373,142	-0-	4,710,910	207,954	-0-	7,203,079	
Capital Projects	1,813,823	-0-	2,263,465	176,267	-0-	20,000	4,273,555	
Other Governmental Funds	1,650,722	-0-	-0-	-0-	-0-	-0-	1,650,722	
Golf	53,894	-0-	-0-	150,000	-0-	-0-	203,894	
<b>Total Transfers Out</b>	<b>\$ 4,429,512</b>	<b>\$ 1,373,142</b>	<b>\$ 2,484,385</b>	<b>\$ 5,238,980</b>	<b>\$ 207,954</b>	<b>\$ 20,000</b>	<b>\$ 13,753,973</b>	

**Note 19 - General Fund Administrative Charges**

The general fund charges certain special revenue funds and proprietary funds for various administrative services. These transactions have been recorded as revenue and expenses or expenditures to the funds as if they involved organizations external to the City. The amounts charged to those funds during fiscal year 2011 are as follows:



**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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	General Government	Public Works Administration	Total
<b>Special Revenue Funds:</b>			
Redevelopment Agency	\$ 216,346	\$ 8,873	\$ 225,219
Recreation	36,465	-0-	36,465
Sandy Arts Guild	9,116	-0-	9,116
Storm Water Utilities	148,206	-0-	148,206
<b>Enterprise Funds:</b>			
Alta Canyon Sports Center	70,957	-0-	70,957
Water	860,684	-0-	860,684
Waste Collection	191,460	133,550	325,010
Golf	44,591	-0-	44,591
<b>Internal Service Funds:</b>			
Fleet Operations	106,386	44,748	151,134
Information Services	247,546	-0-	247,546
Risk Management	77,481	-0-	77,481
Total	<u>\$2,009,238</u>	<u>\$ 187,171</u>	<u>\$2,196,409</u>

**Note 20 - Risk Management**

The City is exposed to various risks of loss including torts; workers compensation claims; theft, damage or destruction of assets; errors and omissions; and natural disasters. Insurance coverage for these risks are provided by several commercial insurance carriers. The general liability policy has a \$2,000,000 self insured retention with a \$10,000,000 limit per occurrence. Workers compensation claims are covered by the Workers Compensation Fund. The City commercially insures real property and also insures fleet equipment with individual values in excess of \$40,000 and self-insures all other fleet equipment. For the last three years, claim settlements have not exceeded insurance coverage.

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The liability for claims and judgements is reported in the risk management fund and has been expensed in the current period. Changes in the balances of claims liabilities during the past two years is as follows:

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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	Year Ended <u>June 30, 2011</u>	Year Ended <u>June 30, 2010</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 271,153	\$ 224,048
Incurred Claims & Changes in Estimates (Including IBNR's)	456,524	419,964
Claims Payments	<u>(431,773)</u>	<u>(372,859)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 295,904</u>	<u>\$ 271,153</u>

The City estimates that \$252,233 of the \$295,904 of unpaid claims will be paid in the next fiscal year.

**Note 21 - Sandy City Redevelopment Agency**

For the year ending June 30, 2011, the following activity occurred in the City's RDA:

Taxes collected by the RDA:	
Transient room tax	<u>\$ 2,008,594</u>
Tax increment by project:	
South Towne	1,661,476
Civic Center South	1,134,545
9400 South CDA	147,605
Civic Center North	1,543,160
South Towne Ridge Road	1,223,591
Total tax increment	<u>5,710,377</u>
Total taxes collected	<u><u>\$ 7,718,971</u></u>
 Tax increment paid to other taxing agencies	 \$ 26,874
Outstanding loans which financed RDA projects	\$ 60,060,450
Amounts expended for:	
Installation of public utilities or other improvements	\$ 2,352,900
Administrative costs	\$ 474,763

**Note 22 - Related Party Transactions**

During the year ended June 30, 2011, the following payments were made to MWDSLS, which is a related entity:

- \$834,892 in debt service payments for water rights to the Ontario Drain Tunnel water
- \$4,210,322 for capital improvements to be conducted by MWDSLS (long-term commitment)
- \$2,907,197 for water purchases (\$331,168 paid July 2011)

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2011**

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**Note 23 - Subsequent Events**

Employees hired after July 1, 2011 will be subject to different contributions to their Utah State Retirement Systems account than those hired prior to that date. These employees will be considered Tier 2 and will be able to choose between two plans. The first is the Tier 2 Hybrid Retirement System. The monthly benefit is determined by age, years of service credit, final average monthly salary, and the benefit formula. Employees can retire at any age with 35 years of service. The service benefit formula is based on the number of years of service multiplied by one and one half percent multiplied by the highest five years' earnings converted to an average. The second is the Tier 2 Defined Contribution Plan. With this plan, the City contributes ten percent of the employee's compensation to a defined contribution plan. The employee makes additional deferrals to the same defined contribution plan. City contributions are vested after four years and employee deferrals are vested immediately.

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# Required Supplementary Information

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# SANDY CITY

## Roadway System Condition and Maintenance

### Modified Approach for Infrastructure

June 30, 2011

The condition of the road pavement is measured using the Stantec Pavement Management Application (PMA), which is based on a weighted average of nine distress factors found in pavement surfaces (cracking, raveling, chuck holes, patching, edge cracking, rutting/shoving, bleeding, excessive crown, and distortion). The PMA uses a measurement scale based on a condition index ranging from 0 to 10 for pavement in perfect condition. The condition index is used to classify roads in good or better condition (6.5 - 10), fair condition (4.0 - 6.4), and substandard condition (less than 4.0). These condition indexes are used to evaluate other elements in the right-of-way including sidewalks, curb and gutter, waterways, drive approaches, street signs, and traffic signals. All of these elements, including pavement, make up what is known as the street system. The City's policy is to maintain at least 80 percent of its street system at a good or better condition and have no more than 10 percent in a substandard condition. Condition assessments in the appropriate database are updated annually.

For fiscal year 2011, the arterials in good or better condition increased due to some new roads that we added. Also some of the roads in fiscal year 2010 that had an average conditioning rating below 6.5 were improved in fiscal year 2011. Due to the size of the City, it takes approximately two years to complete a 100 percent evaluation of these elements before restarting the process.

### Condition Rating of the City's Roadway System

#### Percentage of Roadway System in Good or Better Condition

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Arterials	97.2%	90.8%	91.1%	89.2%	93.2%
Collectors	91.6%	91.8%	91.2%	89.8%	92.9%
Secondary	89.6%	89.9%	89.2%	88.6%	89.3%
Overall System	91.4%	90.5%	90.0%	88.9%	90.8%

#### Percentage of Roadway System in Substandard Condition

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Arterials	0.2%	0.2%	0.2%	0.3%	0.3%
Collectors	0.2%	0.1%	0.2%	0.3%	0.3%
Secondary	0.4%	0.3%	0.4%	0.5%	0.4%
Overall System	0.3%	0.2%	0.3%	0.4%	0.4%

#### Comparison of Needed to Actual Maintenance/Preservation

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Arterials					
Needed	\$ 4,308,135	\$ 3,898,791	\$ 4,612,987	\$ 5,414,578	\$ 4,342,458
Actual	3,836,819	3,125,389	4,235,695	4,381,263	3,566,059
Collectors					
Needed	861,627	779,758	922,597	1,082,916	868,492
Actual	767,364	625,078	847,139	876,253	713,212
Secondary					
Needed	984,717	891,152	1,054,397	1,237,617	992,561
Actual	876,987	714,375	968,159	1,001,432	815,099
Overall System					
Needed	6,154,479	5,569,701	6,589,981	7,735,111	6,203,511
Actual	5,481,170	4,464,842	6,050,993	6,258,948	5,094,370
	<u>\$ (673,309)</u>	<u>\$(1,104,859)</u>	<u>\$ (538,988)</u>	<u>\$(1,476,163)</u>	<u>\$(1,109,141)</u>

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# Supplementary Information

# SANDY CITY

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

For the Year Ended June 30, 2011

With Comparative Totals for 2010

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Funds	Total Governmental Funds	
							2011	2010
<b>Revenues:</b>								
Taxes:								
General Property Taxes	\$ 7,345,042	\$ -0-	\$ 292,222	\$ -0-	\$ 5,710,377	\$ -0-	\$ 13,347,641	\$ 13,054,836
General Sales and Use Taxes	15,703,214	-0-	-0-	-0-	-0-	-0-	15,703,214	16,064,881
Franchise Taxes	7,530,832	-0-	-0-	-0-	-0-	-0-	7,530,832	7,422,695
Motor Vehicle Fee	599,710	-0-	-0-	-0-	-0-	-0-	599,710	694,237
Transient Room Tax	-0-	-0-	-0-	-0-	2,008,594	-0-	2,008,594	1,903,278
Total Taxes	31,178,798	-0-	292,222	-0-	7,718,971	-0-	39,189,991	39,139,927
Special Assessments	-0-	-0-	262,565	-0-	-0-	-0-	262,565	324,601
Innkeeper Fees	-0-	-0-	351,766	-0-	-0-	-0-	351,766	332,317
Licenses and Permits	2,028,642	-0-	-0-	-0-	-0-	-0-	2,028,642	1,640,829
Inter-Governmental	3,354,491	962,200	417,259	677,359	-0-	474,121	5,885,430	8,531,708
Sponsors	-0-	-0-	-0-	17,473	-0-	3,006	20,479	378,332
Administrative Charges	2,196,409	-0-	-0-	-0-	-0-	-0-	2,196,409	2,067,801
Fines and Forfeitures	2,515,535	-0-	-0-	1,197	-0-	-0-	2,516,732	2,712,266
Cell Tower Lease	682,879	81,107	-0-	247,468	-0-	232,068	1,243,522	169,523
Fees from Developers	-0-	-0-	44,573	659,185	-0-	-0-	703,758	358,813
Charges for Sales and Services	2,771,274	3,228,423	-0-	-0-	-0-	720,340	6,720,037	6,273,459
Interest Income	57,920	30,720	13,250	90,337	-0-	8,149	200,376	335,580
Miscellaneous	83,431	18,886	-0-	18,066	1,288	1,038,792	1,160,463	1,548,516
Total Revenues	44,869,379	4,321,336	1,381,635	1,711,085	7,720,259	2,476,476	62,480,170	63,813,672
<b>Expenditures:</b>								
Salaries and Benefits	29,552,869	807,840	-0-	-0-	202,672	1,259,268	31,822,649	32,102,676
Materials and Supplies	3,732,601	166,531	-0-	-0-	31,171	1,081,314	5,011,617	4,721,492
Contracted Services	1,532,317	6,080	-0-	-0-	909,156	308,870	2,756,423	2,338,481
Internal Charges	3,921,221	327,995	-0-	-0-	12,410	120,450	4,382,076	4,357,525
Administrative Charges	-0-	59,282	-0-	-0-	225,219	45,581	330,082	230,989
Cost of Goods Sold	-0-	19,585	-0-	-0-	-0-	583,033	602,618	647,959
Bond Issuance Cost and Trustee Fees	-0-	-0-	20,200	-0-	3,291	-0-	23,491	577,064
Capital Outlays	1,865,845	5,398,046	-0-	6,408,250	2,352,900	329,678	16,354,719	22,101,206
Principal	-0-	-0-	4,978,000	-0-	-0-	-0-	4,978,000	4,770,000
Interest	-0-	-0-	3,759,876	-0-	-0-	-0-	3,759,876	3,795,121
Total Expenditures	40,604,853	6,785,359	8,758,076	6,408,250	3,736,819	3,728,194	70,021,551	75,642,513
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,264,526	(2,464,023)	(7,376,441)	(4,697,165)	3,983,440	(1,251,718)	(7,541,381)	(11,828,841)
<b>Other Financing Sources (Uses):</b>								
Issuance of Debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,386,242
Bond Premium	-0-	-0-	-0-	-0-	-0-	-0-	-0-	357,751
Redemption of Refunded Bonds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(4,180,000)
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	221,360
Transfers In	260,920	161,803	7,203,079	4,273,556	-0-	1,650,722	13,550,080	11,642,322
Transfers Out	(4,429,512)	(1,373,142)	-0-	(2,484,385)	(5,238,980)	(207,954)	(13,733,973)	(10,982,163)
Total Other Financing Sources (Uses)	(4,168,592)	(1,211,339)	7,203,079	1,789,171	(5,238,980)	1,442,768	(183,893)	8,445,512
Net Change in Fund Balances	95,934	(3,675,362)	(173,362)	(2,907,994)	(1,255,540)	191,050	(7,725,274)	(3,383,329)
Beginning Fund Balances	5,105,278	8,761,917	2,629,205	17,461,815	839,506	987,736	35,785,457	39,168,786
Ending Fund Balances	\$ 5,201,212	\$ 5,086,555	\$ 2,455,843	\$ 14,553,821	\$ (416,034)	\$ 1,178,786	\$ 28,060,183	\$ 35,785,457

# SANDY CITY

## Debt Service

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
General Property Taxes	\$ 305,000	\$ 305,000	\$ 292,222	\$ (12,778)
Special Assessments	260,923	260,923	262,565	1,642
Innkeeper Fees	320,000	320,000	351,766	31,766
Inter-Governmental	417,259	417,259	417,259	-0-
Fees from Developers	10,000	10,000	44,573	34,573
Interest Income	18,437	18,437	13,250	(5,187)
Total Revenues	1,331,619	1,331,619	1,381,635	50,016
<b>Expenditures:</b>				
Principal	4,978,000	4,978,000	4,978,000	-0-
Interest	3,759,877	3,759,877	3,759,876	1
Bond Issuance Cost and Trustee Fees	(2,500)	22,500	20,200	2,300
Total Expenditures	8,735,377	8,760,377	8,758,076	2,301
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,403,758)	(7,428,758)	(7,376,441)	52,317
<b>Other Financing Sources (Uses):</b>				
Transfers In	7,224,765	7,229,765	7,203,079	(26,686)
Net Change in Fund Balances	(178,993)	(198,993)	(173,362)	25,631
Beginning Fund Balances	2,629,205	2,629,205	2,629,205	-0-
Ending Fund Balances	\$ 2,450,212	\$ 2,430,212	\$ 2,455,843	\$ 25,631

# SANDY CITY

## Capital Projects

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Inter-Governmental	\$ 970,808	\$ 970,808	\$ 677,359	\$ (293,449)
Charges for Services	-0-	-0-	17,473	17,473
Fines and Forfeitures	-0-	-0-	1,197	1,197
Cell Tower Lease	-0-	-0-	247,468	247,468
Fees from Developers	202,500	202,500	659,185	456,685
Interest Income	38,100	38,100	90,337	52,237
Miscellaneous	-0-	17,571	18,066	495
Total Revenues	1,211,408	1,228,979	1,711,085	482,106
<b>Expenditures:</b>				
Capital Outlays	234,909	234,909	47,637	187,272
Land	828,250	3,020,369	2,878,650	141,719
Buildings	2,026,881	2,169,753	887,988	1,281,765
Roads	5,344,155	5,344,155	2,192,303	3,151,852
Parks	979,587	979,587	322,502	657,085
Miscellaneous	543,551	561,122	79,170	481,952
Total Expenditures	9,957,333	12,309,895	6,408,250	5,901,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,745,925)	(11,080,916)	(4,697,165)	6,383,751
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,225,463	1,225,463	4,273,556	3,048,093
Transfers Out	(220,920)	(220,920)	(2,484,385)	(2,263,465)
Total Other Financing Sources (Uses)	1,004,543	1,004,543	1,789,171	784,628
Net Change in Fund Balances	(7,741,382)	(10,076,373)	(2,907,994)	7,168,379
Beginning Fund Balances	17,461,815	17,461,815	17,461,815	-0-
Ending Fund Balances	\$ 9,720,433	\$ 7,385,442	\$ 14,553,821	\$ 7,168,379

# Non-major Governmental Funds

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**Special revenue funds** are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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**Landscape Maintenance** - This fund is used to account for the service-type special assessments legally restricted for operation and maintenance of streetscapes.

**Community Development Block Grant (CDBG)** - This fund is used to account for the revenues received by the City as grantee participant in the Community Development Block Grant program.

**Recreation** - This fund is used to account for the City's recreation activities.

**Community Events** - The City elects to sponsor certain performing arts, programs, and special events. This fund is used to account for the revenue and expenditures associated with these events.

**Sandy Arts Guild** - The City arranges for concerts, programs, and special events to be performed within our amphitheater for the enjoyment of our citizens. This fund is used to account for the revenue and expenditures associated with these events.

**Electric Utilities** - This fund is used to account for the operation of the City's street light system.

**Sandy City Donations** - This fund was established to account for individual, private, and intergovernmental contributions held in trust by the City.

**SANDY CITY**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2011**  
**With Comparative Totals for 2010**

	<b>Landscape Maintenance</b>	<b>CDBG</b>	<b>Recreation</b>	<b>Community Events</b>
<b><u>ASSETS:</u></b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 16,932	\$ -0-	\$ 341,558	\$ 111,179
Receivables	-0-	-0-	-0-	-0-
Due from other Governments	-0-	21,318	-0-	-0-
Total Assets	16,932	21,318	341,558	111,179
<b><u>LIABILITIES AND FUND BALANCES:</u></b>				
<b>Current Liabilities:</b>				
Accounts Payable	-0-	5,005	43,218	6,500
Salaries and Benefits Payable	-0-	816	12,054	2,825
Due to Other Governments	-0-	-0-	-0-	-0-
Due to Other Funds	-0-	15,497	-0-	-0-
Deposits	-0-	-0-	84	-0-
Total Liabilities	-0-	21,318	55,356	9,325
<b>Fund Balance</b>				
Restricted for:				
Fund Activities	16,932	-0-	286,202	101,854
Total Liabilities and Fund Balance	\$ 16,932	\$ 21,318	\$ 341,558	\$ 111,179

	Sandy Arts Guild	Electric Utility	Sandy City Donations	TOTALS	
				2011	2010
<b>ASSETS:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 214,607	\$ 308,370	\$ 283,190	\$ 1,275,836	\$ 1,108,607
Receivables	1,016	128	-0-	1,144	224
Due from other Governments	-0-	-0-	43,390	64,708	125,720
Total Assets	215,623	308,498	326,580	1,341,688	1,234,551
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Current Liabilities:</b>					
Accounts Payable	34,280	889	23,377	113,269	159,596
Salaries and Benefits Payable	6,214	3,619	872	26,400	62,789
Due to Other Governments	-0-	-0-	500	500	500
Due to Other Funds	-0-	-0-	-0-	15,497	16,727
Deposits	-0-	-0-	7,152	7,236	7,203
Total Liabilities	40,494	4,508	31,901	162,902	246,815
<b>Fund Balance</b>					
Restricted for:					
Fund Activities	175,129	303,990	294,679	1,178,786	987,736
Total Liabilities and Fund Balance	\$ 215,623	\$ 308,498	\$ 326,580	\$ 1,341,688	\$ 1,234,551

# SANDY CITY

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Non-major Governmental Funds

For the Year Ended June 30, 2011

With Comparative Totals for 2010

	Landscape			Community	
	Maintenance	CDBG	Recreation	Events	
<b>Revenues:</b>					
Inter-Governmental	\$ -0-	\$ 421,736	\$ -0-	\$ -0-	
Sponsors	-0-	-0-	-0-	-0-	
Cell Tower Lease	-0-	-0-	-0-	-0-	
Charges for Sales and Services	-0-	-0-	713,569	441	
Interest Income	143	-0-	2,253	1,278	
Miscellaneous	-0-	-0-	-0-	15,653	
Total Revenues	143	421,736	715,822	17,372	
<b>Expenditures:</b>					
General Government	-0-	-0-	-0-	-0-	
Police and Animal Control	-0-	-0-	-0-	-0-	
Fire	-0-	-0-	-0-	-0-	
Parks, Landscapes and Cemetery	88,633	-0-	-0-	-0-	
Community Development	-0-	213,782	-0-	-0-	
Recreation and Cultural Events	-0-	-0-	951,124	382,702	
Electric Utility	-0-	-0-	-0-	-0-	
Total Expenditures	88,633	213,782	951,124	382,702	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,490)	207,954	(235,302)	(365,330)	
<b>Other Financing Sources (Uses):</b>					
Transfers In	-0-	-0-	270,976	375,284	
Transfers Out	-0-	(207,954)	-0-	-0-	
Total Other Financing Sources (Uses)	-0-	(207,954)	270,976	375,284	
Net Change in Fund Balances	(88,490)	-0-	35,674	9,954	
Beginning Fund Balances	105,422	-0-	250,528	91,900	
Ending Fund Balances	\$ 16,932	\$ -0-	\$ 286,202	\$ 101,854	



	Sandy Arts	Electric	Sandy City	Total Non-Major Governmental	
	Guild	Utility	Donations	Funds	
				2011	2010
<b>Revenues:</b>					
Inter-Governmental	\$ 52,385	\$ -0-	\$ -0-	\$ 474,121	\$ 526,380
Sponsors	-0-	-0-	3,006	3,006	12,103
Cell Tower Lease	-0-	232,068	-0-	232,068	-0-
Charges for Sales and Services	452,887	553	-0-	1,167,450	1,172,145
Interest Income	2,121	1,256	1,098	8,149	6,801
Miscellaneous	-0-	13,002	563,027	591,682	633,839
Total Revenues	507,393	246,879	567,131	2,476,476	2,351,268
<b>Expenditures:</b>					
General Government	-0-	-0-	43,541	43,541	19,700
Police and Animal Control	-0-	-0-	415,875	415,875	613,532
Fire	-0-	-0-	36,961	36,961	31,230
Parks, Landscapes and Cemetery	-0-	-0-	5,984	94,617	12,078
Community Development	-0-	-0-	19,212	232,994	303,933
Recreation and Cultural Events	827,681	-0-	27,586	2,189,093	2,243,145
Electric Utility	-0-	715,113	-0-	715,113	722,293
Total Expenditures	827,681	715,113	549,159	3,728,194	3,945,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	(320,288)	(468,234)	17,972	(1,251,718)	(1,594,643)
<b>Other Financing Sources (Uses):</b>					
Transfers In	297,674	706,788	-0-	1,650,722	1,678,274
Transfers Out	-0-	-0-	-0-	(207,954)	(197,485)
Total Other Financing Sources (Uses)	297,674	706,788	-0-	1,442,768	1,480,789
Net Change in Fund Balances	(22,614)	238,554	17,972	191,050	(113,854)
Beginning Fund Balances	197,743	65,436	276,707	987,736	1,101,590
Ending Fund Balances	\$ 175,129	\$ 303,990	\$ 294,679	\$ 1,178,786	\$ 987,736

## SANDY CITY

### Landscape Maintenance

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

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	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Special Assessments	\$ 2,390	\$ -0-	\$ (2,390)
Interest Income	4,838	143	(4,695)
Total Revenues	7,228	143	(7,085)
<b>Expenditures:</b>			
Capital Outlays	112,650	88,633	24,017
Net Change in Fund Balances	(105,422)	(88,490)	16,932
Beginning Fund Balances	105,422	105,422	-0-
Ending Fund Balances	\$ -0-	\$ 16,932	\$ 16,932

## SANDY CITY

### Community Development Block Grant (CDBG)

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Inter-Governmental Revenue	\$ 541,373	\$ 421,736	\$ (119,637)
Total Revenues	541,373	421,736	(119,637)
<b>Expenditures:</b>			
Salaries and Benefits	64,693	66,135	(1,442)
Materials and Supplies	159,961	133,173	26,788
Internal Charges	4,784	4,784	-0-
Capital Outlays	103,981	9,690	94,291
Total Expenditures	333,419	213,782	119,637
Excess of Revenues Over Expenditures	207,954	207,954	-0-
Transfers Out	(207,954)	(207,954)	-0-
Net Change in Fund Balances	-0-	-0-	-0-
Beginning Fund Balances	-0-	-0-	-0-
Ending Fund Balances	\$ -0-	\$ -0-	\$ -0-

# SANDY CITY

## Recreation

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Sales and Services	\$ 759,842	\$ 713,569	\$ (46,273)
Interest Income	3,000	2,253	(747)
Total Revenues	762,842	715,822	(47,020)
<b>Expenditures:</b>			
Salaries and Benefits	485,006	477,864	7,142
Materials and Supplies	44,989	23,155	21,834
Contracted Services	7,500	7,868	(368)
Internal Charges	24,346	24,346	-0-
Administrative Charges	36,465	36,465	-0-
Cost of Goods Sold	426,965	367,978	58,987
Capital Outlays	28,720	13,448	15,272
Total Expenditures	1,053,991	951,124	102,867
Excess (Deficiency) of Revenues Over (Under) Expenditures	(291,149)	(235,302)	55,847
<b>Other Financing Sources:</b>			
Transfers In	270,976	270,976	-0-
Net Change in Fund Balances	(20,173)	35,674	55,847
Beginning Fund Balances	250,528	250,528	-0-
Ending Fund Balances	\$ 230,355	\$ 286,202	\$ 55,847

## SANDY CITY

### Community Events

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Sales and Services	\$ 800	\$ 441	\$ (359)
Interest Income	1,700	1,278	(422)
Miscellaneous	7,800	15,653	7,853
Total Revenues	10,300	17,372	7,072
<b>Expenditures:</b>			
Salaries and Benefits	121,916	118,915	3,001
Materials and Supplies	208,616	198,011	10,605
Internal Charges	55,052	55,052	-0-
Capital Outlays	11,304	10,724	580
Total Expenditures	396,888	382,702	14,186
Excess (Deficiency) of Revenues Over (Under) Expenditures	(386,588)	(365,330)	21,258
<b>Other Financing Sources (Uses):</b>			
Transfers In	375,284	375,284	-0-
Net Change in Fund Balances	(11,304)	9,954	21,258
Beginning Fund Balances	91,900	91,900	-0-
Ending Fund Balances	\$ 80,596	\$ 101,854	\$ 21,258

# SANDY CITY

## Sandy Arts Guild

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Sponsors	\$ 20,000	\$ 20,000	\$ -0-	\$ (20,000)
Cell Tower Lease	73,262	108,523	-0-	(108,523)
Charges for Sales and Services	401,853	401,853	452,887	51,034
Inter-Governmental	48,000	48,000	52,385	4,385
Interest Income	1,300	1,300	2,121	821
Total Revenues	544,415	579,676	507,393	(72,283)
<b>Expenditures:</b>				
Salaries and Benefits	253,652	253,652	256,994	(3,342)
Materials and Supplies	181,870	181,870	188,540	(6,670)
Contracted Services	301,750	301,750	300,166	1,584
Internal Charges	10,126	10,126	10,126	-0-
Administrative Charges	9,116	9,116	9,116	-0-
Cost of Goods Sold	-0-	-0-	76	(76)
Capital Outlays	59,634	123,470	62,663	60,807
Total Expenditures	816,148	879,984	827,681	52,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	(271,733)	(300,308)	(320,288)	(19,980)
<b>Other Financing Sources:</b>				
Transfers In	297,674	297,674	297,674	-0-
Total Other Financing Sources (Uses)	297,674	297,674	297,674	-0-
Net Change in Fund Balances	25,941	(2,634)	(22,614)	(19,980)
Beginning Fund Balances	197,743	197,743	197,743	-0-
Ending Fund Balances	\$ 223,684	\$ 195,109	\$ 175,129	\$ (19,980)

# SANDY CITY

## Electric Utility

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Cell Tower Lease	\$ 131,372	\$ 232,068	\$ 100,696
Charges for Sales and Services	1,210	553	(657)
Interest Income	600	1,256	656
Miscellaneous	-0-	13,002	13,002
Total Revenues	133,182	246,879	113,697
<b>Expenditures:</b>			
Salaries and Benefits	180,775	169,867	10,908
Materials and Supplies	499,441	512,155	(12,714)
Contracted Services	540	836	(296)
Internal Charges	26,032	25,280	752
Capital Outlays	199,218	6,975	192,243
Total Expenditures	906,006	715,113	190,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	(772,824)	(468,234)	304,590
<b>Other Financing Sources (Uses):</b>			
Other Income	600	-0-	(600)
Transfers In	706,788	706,788	-0-
Total Other Financing Sources (Uses)	707,388	706,788	(600)
Net Change in Fund Balances	(65,436)	238,554	303,990
Beginning Fund Balances	65,436	65,436	-0-
Ending Fund Balances	\$ -0-	\$ 303,990	\$ 303,990

## SANDY CITY

### Sandy City Donations

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2011

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Sponsors	\$ -0-	\$ -0-	\$ 3,006	\$ 3,006
Interest Income	12,500	12,500	1,098	(11,402)
Miscellaneous	853,075	1,394,871	563,027	(831,844)
Total Revenues	865,575	1,407,371	567,131	(840,240)
<b>Expenditures:</b>				
Salaries and Benefits	233,661	233,661	169,493	64,168
Materials and Supplies	30,200	51,520	26,280	25,240
Internal Charges	-0-	-0-	862	(862)
Cost of Goods Sold	664,796	1,164,796	214,979	949,817
Capital Outlays	30,000	30,000	137,545	(107,545)
Total Expenditures	958,657	1,479,977	549,159	930,818
Net Change in Fund Balances	(93,082)	(72,606)	17,972	90,578
Beginning Fund Balances	276,707	276,707	276,707	-0-
Ending Fund Balances	\$ 183,625	\$ 204,101	\$ 294,679	\$ 90,578



# Enterprise Funds

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The **enterprise funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

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**Alta Canyon Sports Center** - This fund is used to account for the City's recreation center.

**Water** - This fund is used to account for the operations of the City's water utility.

**Waste** - This fund is used to account for waste collection services provided by an independent contractor.

**Golf** - This fund is used to account for the City's golf course.

## SANDY CITY

### Alta Canyon Sports Center

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 688,640	\$ 700,452	\$ 11,812
<b>Operating Expenses</b>			
Salaries and Benefits	755,317	753,911	1,406
Materials and Supplies	168,153	146,988	21,165
Contracted Services	57,055	52,900	4,155
Internal Charges	34,405	34,405	-0-
Administrative Charges	70,957	70,957	-0-
Cost of Goods Sold	47,420	41,175	6,245
Non-Capital Improvements	19,500	16,335	3,165
Depreciation	54,984	54,984	-0-
Total Operating Expenses	1,207,791	1,171,655	36,136
Operating Income (Loss)	(519,151)	(471,203)	47,948
<b>Nonoperating Revenues:</b>			
General Property Taxes	366,800	366,822	22
Motor Vehicle Fee	39,000	33,002	(5,998)
Interest Income	-0-	255	255
Cell Tower Lease	54,526	36,676	(17,850)
Other Income	60	2,507	2,447
Total Nonoperating Revenues:	460,386	439,262	(21,124)
Change in Net Assets	(58,765)	(31,941)	26,824
Beginning Net Assets	985,856	985,856	-0-
Ending Net Assets	\$ 927,091	\$ 953,915	\$ 26,824

# SANDY CITY

## Water

### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 20,090,714	\$ 19,249,349	\$ (841,365)
Fees from Developers	-0-	236,603	236,603
Total Operating Revenues	20,090,714	19,485,952	(604,762)
<b>Operating Expenses</b>			
Salaries and Benefits	1,815,904	1,789,475	26,429
Materials and Supplies	702,240	685,014	17,226
Contracted Services	490,537	402,790	87,747
Internal Charges	941,722	428,989	512,733
Administrative Charges	860,684	860,684	-0-
Cost of Goods Sold	4,981,589	4,114,913	866,676
Non-Capital Improvements	4,362,124	4,249,968	112,156
Depreciation	3,838,159	3,838,159	-0-
Total Operating Expenses	17,992,959	16,369,992	1,622,967
Operating Income (Loss)	2,097,755	3,115,960	1,018,205
<b>Nonoperating Revenues (Expenses):</b>			
Interest Income	68,000	96,020	28,020
Cell Tower Lease	98,000	501,344	403,344
Contributions from Developers	-0-	(236,603)	(236,603)
Other Income	2,500	16,079	13,579
Sale of Capital Assets	5,000	3,037	(1,963)
Bond Interest Expense	(899,443)	(949,254)	(49,811)
Total Nonoperating Revenues (Expenses)	(725,943)	(569,377)	156,566
Change in Net Assets	1,371,812	2,546,583	1,174,771
Beginning Net Assets	110,001,182	110,001,182	-0-
Ending Net Assets	\$ 111,372,994	\$ 112,547,765	\$ 1,174,771

## SANDY CITY

### Waste

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 4,115,775	\$ 4,138,607	\$ 22,832
<b>Operating Expenses</b>			
Salaries and Benefits	246,985	245,866	1,119
Materials and Supplies	73,720	58,271	15,449
Internal Charges	286,275	286,219	56
Administrative Charges	325,010	325,010	-0-
Cost of Services	3,375,658	3,220,085	155,573
Total Operating Expenses	4,307,648	4,135,451	172,197
Operating Income (Loss)	(191,873)	3,156	195,029
<b>Nonoperating Revenues:</b>			
Interest Income	7,050	9,372	2,322
Other Income	-0-	14,318	14,318
Total Nonoperating Revenues:	7,050	23,690	16,640
Change in Net Assets	(184,823)	26,846	211,669
Beginning Net Assets	7,337,121	7,337,121	-0-
Ending Net Assets	\$ 7,152,298	\$ 7,363,967	\$ 211,669

# SANDY CITY

## Golf

### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 1,346,600	\$ 1,205,931	\$ (140,669)
<b>Operating Expenses</b>			
Salaries and Benefits	518,535	489,406	29,129
Materials and Supplies	184,493	162,111	22,382
Contracted Services	52,420	41,776	10,644
Internal Charges	90,776	90,776	-0-
Administrative Charges	44,591	44,591	-0-
Cost of Services	222,200	238,311	(16,111)
Non-Capital Improvements	-0-	866	(866)
Depreciation	41,221	41,221	-0-
Total Operating Expenses	1,154,236	1,109,058	45,178
Operating Income (Loss)	192,364	96,873	(95,491)
<b>Nonoperating Revenues (Expenses):</b>			
Other Income (Expense)	(2,000)	5,142	7,142
Bond Interest Expense	(99,185)	(99,185)	-0-
Total Nonoperating Revenues (Expenses)	(101,185)	(94,043)	7,142
Income (Loss) Before Capital	91,179	2,830	(88,349)
Transfers In	150,000	203,894	53,894
Change in Net Assets	241,179	206,724	(34,455)
Beginning Net Assets	1,915,880	1,915,880	-0-
Ending Net Assets	\$ 2,157,059	\$ 2,122,604	\$ (34,455)

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# Internal Service Funds

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**Internal service funds** are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

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**Fleet** - This fund is used to account for the rental of machinery, equipment, vehicles, and their related costs to other departments.

**Information Services** - This fund is used to account for the accumulation and allocation of costs associated with the centralized data processing systems.

**Risk Management** - This fund is used to account for the accumulation and allocation of costs associated with general liability, worker's compensation and risk management functions.

**Equipment Management** - This fund is used to account for the accumulation and allocation of costs associated with the purchase of equipment for the governmental funds.

**Payroll Management** - This fund is used to account for the liability associated with the accumulation of employee compensated absences.

**SANDY CITY****Combining Statement of Net Assets****Internal Service Funds****June 30, 2011****With Comparative Totals for 2010**

						<b>Totals Internal Services Funds</b>	
	<b>Fleet</b>	<b>Information Services</b>	<b>Risk Management</b>	<b>Equipment Management</b>	<b>Payroll Management</b>	<b>2011</b>	<b>2010</b>
<b><u>ASSETS:</u></b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents	\$ 3,650,527	\$ 1,428,135	\$ 3,235,404	\$ 1,089,078	\$ 3,176,197	\$ 12,579,341	\$ 11,719,987
Receivables	-0-	-0-	376,808	-0-	-0-	376,808	377,465
Inventories	156,063	-0-	-0-	-0-	-0-	156,063	92,889
Other Assets	-0-	-0-	-0-	-0-	11,353	11,353	11,352
Total Current Assets	3,806,590	1,428,135	3,612,212	1,089,078	3,187,550	13,123,565	12,201,693
Land, Building, Plant, and Equipment	20,855,119	2,490,515	-0-	-0-	-0-	23,345,634	22,509,363
Accumulated Depreciation	(14,431,100)	(2,132,829)	-0-	-0-	-0-	(16,563,929)	(16,053,185)
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-	756,867
Total Assets	10,230,609	1,785,821	3,612,212	1,089,078	3,187,550	19,905,270	19,414,738
<b><u>LIABILITIES AND FUND BALANCES:</u></b>							
<b>Current Liabilities:</b>							
Accounts Payable	115,375	21,503	15,412	27,203	-0-	179,493	148,129
Salaries and Benefits Payable	11,640	18,116	5,034	-0-	-0-	34,790	67,235
Claims and Judgements Payable	-0-	-0-	295,904	-0-	-0-	295,904	271,153
Deferred Property Tax	-0-	-0-	399,124	-0-	-0-	399,124	398,566
Compensated Absences	-0-	-0-	-0-	-0-	76,282	76,282	76,282
Total Current Liabilities	127,015	39,619	715,474	27,203	76,282	985,593	961,365
<b>Noncurrent Liabilities</b>							
Compensated Absences	-0-	-0-	-0-	-0-	1,579,818	1,579,818	1,550,995
Total Noncurrent Liabilities:	-0-	-0-	-0-	-0-	1,579,818	1,579,818	1,550,995
Total Liabilities	127,015	39,619	715,474	27,203	1,656,100	2,565,411	2,512,360
<b><u>NET ASSETS:</u></b>							
Invested In Capital Assets, Net of Related Debt	6,424,019	357,686	-0-	-0-	-0-	6,781,705	7,213,045
Unrestricted	3,679,575	1,388,516	2,896,738	1,061,875	1,531,450	10,558,154	9,689,333
Total Net Assets	\$ 10,103,594	\$ 1,746,202	\$ 2,896,738	\$ 1,061,875	\$ 1,531,450	\$ 17,339,859	\$ 16,902,378



# SANDY CITY

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

### Internal Services Fund

For the Year Ended June 30, 2011

With Comparative Totals for the Year Ended 2010

	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	Totals Internal Services Funds	
						2011	2010
<b>Operating Revenue</b>							
Charges for Sales and Services	\$ 3,623,157	\$ 1,422,487	\$ 662,221	\$ 582,154	\$ 476,974	\$ 6,766,993	\$ 6,518,257
Miscellaneous	15,514	-0-	10,514	-0-	-0-	26,028	20,832
Total Revenues	3,638,671	1,422,487	672,735	582,154	476,974	6,793,021	6,539,089
<b>Operating Expenses</b>							
Salaries and Benefits	626,738	667,839	223,389	-0-	316,339	1,834,305	1,738,933
Materials and Supplies	20,214	12,317	8,462	-0-	-0-	40,993	32,327
Contracted Services	5,084	216,147	994,447	-0-	-0-	1,215,678	1,099,788
Internal Charges	39,284	-0-	8,811	-0-	-0-	48,095	27,054
Administrative Charges	151,134	247,546	77,481	-0-	-0-	476,161	432,873
Cost of Goods Sold	1,263,551	-0-	-0-	-0-	-0-	1,263,551	995,513
Non-Capital Improvements	83,022	52,523	-0-	290,530	-0-	426,075	360,874
Depreciation	1,481,210	149,814	-0-	-0-	-0-	1,631,024	1,586,566
Total Operating Expenses	3,670,237	1,346,186	1,312,590	290,530	316,339	6,935,882	6,273,928
Operating Income (Loss)	(31,566)	76,301	(639,855)	291,624	160,635	(142,861)	265,161
<b>Nonoperating Revenues (Expenses):</b>							
General Property Taxes	-0-	-0-	388,364	-0-	-0-	388,364	390,199
Interest Income	25,839	9,743	21,342	3,752	21,226	81,902	80,257
Gain (Loss) on Disposal of Asset	127,832	2,244	-0-	-0-	-0-	130,076	83,356
Total Nonoperating Revenues	153,671	11,987	409,706	3,752	21,226	600,342	553,812
Income (Loss) Before Capital Contributions and Transfers	122,105	88,288	(230,149)	295,376	181,861	457,481	818,973
<b>Transfers:</b>							
Transfers In	-0-	-0-	-0-	-0-	-0-	-0-	20,000
Transfers Out	(20,000)	-0-	-0-	-0-	-0-	(20,000)	(830,160)
Total Transfers	(20,000)	-0-	-0-	-0-	-0-	(20,000)	(810,160)
Change in Net Assets	102,105	88,288	(230,149)	295,376	181,861	437,481	8,813
Net Assets - Beginning	10,001,489	1,657,914	3,126,887	766,499	1,349,589	16,902,378	16,893,565
Net Assets - Ending	\$ 10,103,594	\$ 1,746,202	\$ 2,896,738	\$ 1,061,875	\$ 1,531,450	\$ 17,339,859	\$ 16,902,378

**SANDY CITY****Combining Statement of Cash Flows****Internal Service Funds****For the Year Ended June 30, 2011****With Comparative Totals for the Year Ended 2010**

		Information	Risk	Equipment	Payroll	Totals Internal Services Funds	
	Fleet	Services	Management	Management	Management	2011	2010
<b>Cash Flows from Operating Activities:</b>							
Receipts from Customers	\$ 3,638,671	\$ 1,422,487	\$ 673,392	\$ 582,154	\$ 476,974	\$ 6,793,678	\$ 6,542,219
Payments to Suppliers	(1,616,418)	(510,444)	(1,070,656)	(280,094)	(1)	(3,477,613)	(2,544,421)
Payments to Employees	(642,350)	(680,945)	(226,965)	-0-	(287,516)	(1,837,776)	(1,756,772)
Net Cash Provided (Used) by Operating Activities	1,379,903	231,098	(624,229)	302,060	189,457	1,478,289	2,241,026
<b>Cash Flows from Noncapital Financing Activities:</b>							
Tax Receipts	-0-	-0-	388,922	-0-	-0-	388,922	389,664
Transfers to Other Funds	(20,000)	-0-	-0-	-0-	-0-	(20,000)	(810,160)
Net Cash Provided (Used) by Noncapital Financing Activities	(20,000)	-0-	388,922	-0-	-0-	368,922	(420,496)
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Acquisition of Capital Assets	(1,226,340)	(20,575)	-0-	-0-	-0-	(1,246,915)	(1,832,051)
Proceeds from Sale of Capital Assets	174,912	2,244	-0-	-0-	-0-	177,156	108,071
Net Cash Used by Capital and Related Financing Activities	(1,051,428)	(18,331)	-0-	-0-	-0-	(1,069,759)	(1,723,980)
<b>Cash Flows from Investing Activities:</b>							
Interest Income Received	25,839	9,743	21,342	3,752	21,226	81,902	80,257
Net Increase (Decrease) in Cash and Cash Equivalents	334,314	222,510	(213,965)	305,812	210,683	859,354	176,807
<b>Cash and Cash Equivalents:</b>							
Beginning of Year	3,316,213	1,205,625	3,449,369	783,266	2,965,514	11,719,987	11,543,180
End of Year	\$ 3,650,527	\$ 1,428,135	\$ 3,235,404	\$ 1,089,078	\$ 3,176,197	\$ 12,579,341	\$ 11,719,987

**Reconciliation of Operating Income****(Loss) to Net Cash Provided (Used)****by Operating Activities:**

Operating Income (Loss)	\$ (31,566)	\$ 76,301	\$ (639,854)	\$ 291,624	\$ 160,635	\$ (142,860)	\$ 265,161
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>							
Depreciation	1,481,210	149,814	-0-	-0-	-0-	1,631,024	1,586,566
Increase (Decrease) Due to Changes in:							
Accounts Receivables	-0-	-0-	657	-0-	-0-	657	3,130
Inventories	(63,174)	-0-	-0-	-0-	-0-	(63,174)	(34,553)
Prepaid Assets	-0-	-0-	-0-	-0-	(1)	(1)	404,648
Accounts Payable	9,196	18,089	18,544	10,436	-0-	56,265	33,913
Salaries and Benefits Payable	(15,763)	(13,106)	(3,576)	-0-	28,823	(3,622)	(17,839)
Net Cash Provided (Used) by Operating Activities	\$ 1,379,903	\$ 231,098	\$ (624,229)	\$ 302,060	\$ 189,457	\$ 1,478,289	\$ 2,241,026

# SANDY CITY

## Fleet

### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating Revenues:</b>				
Charges for Sales and Services	\$ 3,466,739	\$ 3,600,823	\$ 3,623,157	\$ 22,334
Miscellaneous	25,000	32,708	15,514	(17,194)
Total Operating Revenues	3,491,739	3,633,531	3,638,671	5,140
<b>Operating Expenses</b>				
Salaries and Benefits	660,916	660,916	626,738	34,178
Materials and Supplies	17,260	19,260	20,214	(954)
Contracted Services	8,000	8,000	5,084	2,916
Internal Charges	19,734	39,734	39,284	450
Administrative Charges	151,134	151,134	151,134	-0-
Cost of Services	1,301,693	1,301,693	1,263,551	38,142
Non-Capital Improvements	362,327	532,327	83,022	449,305
Depreciation	1,481,210	1,481,210	1,481,210	-0-
Total Operating Expenses	4,002,274	4,194,274	3,670,237	524,037
Operating Income (Loss)	(510,535)	(560,743)	(31,566)	529,177
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	20,000	20,000	25,839	5,839
Contributions from Developers	56,000	56,000	127,832	71,832
Total Nonoperating Revenues	76,000	76,000	153,671	77,671
Income (Loss) Before Transfers	(434,535)	(484,743)	122,105	606,848
<b>Transfers:</b>				
Transfers Out	-0-	-0-	(20,000)	(20,000)
Change in Net Assets	(434,535)	(484,743)	102,105	586,848
Beginning Net Assets	10,001,489	10,001,489	10,001,489	-0-
Ending Net Assets	\$ 9,566,954	\$ 9,516,746	\$ 10,103,594	\$ 586,848

# SANDY CITY

## Information Services

### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 1,365,588	\$ 1,422,487	\$ 56,899
<b>Operating Expenses</b>			
Salaries and Benefits	688,962	667,839	21,123
Materials and Supplies	31,862	12,317	19,545
Contracted Services	265,719	216,147	49,572
Administrative Charges	247,546	247,546	-0-
Non-Capital Improvements	280,159	52,523	227,636
Depreciation	149,814	149,814	-0-
Total Operating Expenses	<u>1,664,062</u>	<u>1,346,186</u>	<u>317,876</u>
Operating Income (Loss)	<u>(298,474)</u>	<u>76,301</u>	<u>374,775</u>
<b>Nonoperating Revenues (Expenses):</b>			
Interest Income	7,500	9,743	2,243
Contributions from Developers	<u>4,000</u>	<u>2,244</u>	<u>(1,756)</u>
Total Nonoperating Revenues	<u>11,500</u>	<u>11,987</u>	<u>487</u>
Change in Net Assets	<u>(286,974)</u>	<u>88,288</u>	<u>375,262</u>
Beginning Net Assets	<u>1,657,914</u>	<u>1,657,914</u>	<u>-0-</u>
Ending Net Assets	<u>\$ 1,370,940</u>	<u>\$ 1,746,202</u>	<u>\$ 375,262</u>

# SANDY CITY

## Risk Management

### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating Revenues:</b>				
Charges for Sales and Services	\$ 660,667	\$ 660,667	\$ 662,221	\$ 1,554
Miscellaneous	5,324	5,324	10,514	5,190
Total Operating Revenues	665,991	665,991	672,735	6,744
<b>Operating Expenses</b>				
Salaries and Benefits	229,460	229,460	223,389	6,071
Materials and Supplies	12,309	12,309	8,462	3,847
Contracted Services	823,996	1,023,996	994,447	29,549
Internal Charges	8,811	8,811	8,811	-0-
Administrative Charges	77,481	77,481	77,481	-0-
Total Operating Expenses	1,152,057	1,352,057	1,312,590	39,467
Operating Income (Loss)	(486,066)	(686,066)	(639,855)	46,211
<b>Nonoperating Revenues (Expenses):</b>				
General Property Taxes	398,566	398,566	388,364	(10,202)
Interest Income	19,000	19,000	21,342	2,342
Total Nonoperating Revenues	417,566	417,566	409,706	(7,860)
Change in Net Assets	(68,500)	(268,500)	(230,149)	38,351
Beginning Net Assets	3,126,887	3,126,887	3,126,887	-0-
Ending Net Assets	\$ 3,058,387	\$ 2,858,387	\$ 2,896,738	\$ 38,351

## SANDY CITY

### Equipment Management

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

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	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ -0-	\$ 582,154	\$ 582,154
<b>Operating Expenses</b>			
Non-Capital Improvements	<u>766,499</u>	<u>290,530</u>	<u>475,969</u>
Operating Income (Loss)	(766,499)	291,624	1,058,123
<b>Nonoperating Revenues:</b>			
Interest Income	<u>-0-</u>	<u>3,752</u>	<u>3,752</u>
Total Nonoperating Revenues	<u>(766,499)</u>	<u>295,376</u>	<u>1,061,875</u>
Change in Net Assets	(766,499)	295,376	1,061,875
Beginning Net Assets	<u>766,499</u>	<u>766,499</u>	<u>-0-</u>
Ending Net Assets	<u>\$ -0-</u>	<u>\$ 1,061,875</u>	<u>\$ 1,061,875</u>

## SANDY CITY

### Payroll Management

#### Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2011

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	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 802,580	\$ 476,974	\$ (325,606)
<b>Operating Expenses</b>			
Salaries and Benefits	802,580	316,339	486,241
Operating Income (Loss)	-0-	160,635	160,635
<b>Nonoperating Revenues:</b>			
Interest Income	15,000	21,226	6,226
Change in Net Assets	15,000	181,861	166,861
Beginning Net Assets	1,349,589	1,349,589	-0-
Ending Net Assets	<u>\$ 1,364,589</u>	<u>\$ 1,531,450</u>	<u>\$ 166,861</u>

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# Capital Assets Used In the Operations Of Governmental Funds

## **SANDY CITY**

### **Capital Assets Used in the Operation of Governmental Funds**

#### **Comparative Schedules by Source<sup>1</sup>**

**June 30, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
Governmental funds capital assets:		
Land	\$ 221,191,701	\$ 217,417,904
Buildings	38,885,833	36,420,213
Improvements other than Buildings	38,767,858	21,672,717
Machinery and Equipment	2,663,678	2,655,865
Autos and Trucks	85,160	85,160
Infrastructure	124,610,519	123,404,816
Street Light Improvements	10,262,124	10,262,124
Storm Drain Improvements	39,105,535	37,115,580
Construction In Progress	9,381,566	23,675,310
Total governmental funds capital assets	<u>\$ 484,953,974</u>	<u>\$ 472,709,689</u>

#### Investments in governmental funds capital assets by source:

General	\$ 2,302,582	\$ 2,294,769
Capital Projects	122,237,638	110,001,166
Infrastructure	286,629,247	286,629,247
Special Revenue	23,886,062	23,886,062
Electric Utilities	10,262,124	10,262,124
Storm Water	39,636,321	39,636,321
Total governmental funds capital assets	<u>\$ 484,953,974</u>	<u>\$ 472,709,689</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

# SANDY CITY

## Capital Assets Used in the Operation of Governmental Funds

### Schedule by Function and Activity<sup>1</sup>

June 30, 2011

Function and Activity	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDING	MACHINERY AND EQUIPMENT	AUTOS AND TRUCKS	STREET LIGHT IMPROVEMENTS	STORM WATER IMPROVEMENTS	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL
General Government:	\$ 4,729,266	\$ 18,455,797	\$ 2,104,468	\$ 392,001	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 25,681,532
Public Safety:										
Police Department										
(Including Animal Control)	116,857	1,681,941	107,989	900,312	71,221	-0-	-0-	-0-	-0-	2,878,320
Fire Department	619,613	5,785,423	228,334	873,792	13,939	-0-	-0-	-0-	-0-	7,521,101
Total Public Safety	736,470	7,467,364	336,323	1,774,104	85,160	-0-	-0-	-0-	-0-	10,399,421
Public Works	175,854,775	1,403,700	8,780,286	229,198	-0-	-0-	-0-	-0-	-0-	186,267,959
Parks and Recreation	16,476,345	11,152,716	27,511,611	207,779	-0-	-0-	-0-	-0-	-0-	55,348,451
Community Development	-0-	286,548	33,624	35,087	-0-	-0-	-0-	-0-	-0-	355,259
Redevelopment Agency	3,640,864	119,708	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,760,572
Storm Water	-0-	-0-	1,546	25,509	-0-	-0-	39,105,536	-0-	-0-	39,132,591
Electric Utilities	-0-	-0-	-0-	-0-	-0-	10,262,124	-0-	-0-	-0-	10,262,124
Streets and Roads	-0-	-0-	-0-	-0-	-0-	-0-	-0-	120,478,437	-0-	120,478,437
Special Improvement Districts	19,753,981	-0-	-0-	-0-	-0-	-0-	-0-	4,132,081	-0-	23,886,062
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,381,566	9,381,566
Total governmental funds capital assets	\$ 221,191,701	\$ 38,885,833	\$ 38,767,858	\$ 2,663,678	\$ 85,160	\$ 10,262,124	\$ 39,105,536	\$ 124,610,518	\$ 9,381,566	\$ 484,953,974

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**SANDY CITY****Capital Assets Used in the Operation of Governmental Funds****Schedule of Changes by Function and Activity<sup>1</sup>****For the Fiscal Year Ended June 30, 2011**

	GENERAL FIXED ASSETS 6/30/10	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS 6/30/11
General Government	\$ 21,577,731	\$ 4,103,801	\$ -0-	\$ 25,681,532
Public Safety:				
Police Department (Including Animal Control)	2,877,899	421	-0-	2,878,320
Fire Department	7,417,709	103,392	-0-	7,521,101
Total Public Safety	10,295,608	103,813	-0-	10,399,421
Public Works	178,444,316	7,823,643	-0-	186,267,959
Parks and Recreation	47,114,092	8,236,455	2,096	55,348,451
Community Development	323,490	31,769	-0-	355,259
Redevelopment Agency	717,131	3,043,441	-0-	3,760,572
Storm Water	37,141,090	1,991,501	-0-	39,132,591
Electric Utilities	10,262,124	-0-	-0-	10,262,124
Streets and Roads	119,272,735	1,205,702	-0-	120,478,437
Special Improvement Districts	23,886,062	-0-	-0-	23,886,062
Construction in Progress	23,675,310	4,734,733	19,028,477	9,381,566
	<u>\$ 472,709,689</u>	<u>\$ 31,274,858</u>	<u>\$ 19,030,573</u>	<u>\$ 484,953,974</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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# STATISTICAL SECTION

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# STATISTICAL SECTION

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This part of Sandy City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
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<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
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<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the current year.

**Sandy City**  
**Changes in Net Assets**  
**Last Nine Fiscal Years Ended June 30**  
**(Accrual Basis of Accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
<i>Governmental Activities:</i>									
General Government	\$ 6,354,049	\$ 6,099,168	\$ 6,732,132	\$ 6,627,873	\$ 6,867,682	\$ 8,211,847	\$ 7,329,037	\$ 5,675,297	\$ 6,218,703
Police and Animal Control	10,921,199	11,039,961	11,574,194	11,758,990	12,006,296	12,714,056	13,147,989	13,280,541	13,277,167
Fire	6,592,822	6,684,265	6,547,657	6,844,133	6,706,058	7,752,211	8,278,635	7,809,329	7,664,912
Public Works	5,324,632	8,298,500	7,492,157	5,198,265	7,755,946	5,235,022	9,055,057	7,017,165	8,690,108
Parks, Landscapes, and Cemetery	2,927,991	3,313,008	4,163,629	3,463,605	4,510,115	4,073,782	4,706,362	4,752,925	3,647,766
Community Development	2,077,192	2,067,518	2,086,736	2,346,659	2,410,950	2,550,854	2,394,433	2,547,332	2,410,712
Economic Development	902,182	1,038,250	1,348,916	2,510,664	1,773,179	16,696,628	11,840,581	8,100,642	2,676,164
Recreation and Cultural Events	1,564,928	1,427,152	1,547,212	1,739,575	1,608,880	2,475,499	2,462,140	2,498,878	2,478,852
Electric Utility	772,840	897,171	870,085	938,764	957,904	1,002,939	1,397,632	1,074,688	1,068,846
Storm Water Utility	1,174,075	1,600,171	1,731,367	3,938,323	1,997,000	2,461,502	2,785,855	2,408,934	1,445,661
Interest on Long-Term Debt	2,608,382	2,412,157	2,237,033	2,127,833	1,855,689	3,267,144	3,861,292	3,845,903	3,825,212
Total Governmental Activities	41,220,292	44,877,321	46,331,118	47,494,684	48,449,699	66,441,484	67,259,013	59,011,635	53,404,102
<i>Business Type Activities:</i>									
Alta Canyon Sports Center	1,002,446	1,034,668	1,058,633	1,066,562	1,114,365	1,174,844	1,335,997	1,160,884	1,171,414
Water	10,406,190	10,231,959	12,901,791	16,136,948	17,219,050	16,892,738	18,255,604	16,488,063	17,392,901
Waste	3,344,378	3,477,255	3,658,358	3,624,065	3,663,177	3,823,602	3,899,198	3,794,550	4,127,282
Golf Course	912,133	1,256,006	1,209,418	1,323,255	1,363,593	1,422,631	1,390,689	1,302,363	1,213,658
Total Business-Type Activities	15,665,147	15,999,888	18,828,200	22,150,830	23,360,185	23,313,815	24,881,488	22,745,860	23,905,255
<b>Total Primary Government Expenses</b>	<b>\$ 56,885,439</b>	<b>\$ 60,877,209</b>	<b>\$ 65,159,318</b>	<b>\$ 69,645,514</b>	<b>\$ 71,809,884</b>	<b>\$ 89,755,299</b>	<b>\$ 92,140,501</b>	<b>\$ 81,757,495</b>	<b>\$ 77,309,357</b>
<b>Program Revenues</b>									
<i>Governmental Activities:</i>									
Charges for Services:									
General Government	\$ 27,932	\$ 136,348	\$ 30,691	\$ 36,990	\$ 31,406	\$ 35,343	\$ 77,775	\$ 43,766	\$ 501,076
Police and Animal Control	2,503,235	3,040,121	3,672,182	3,198,097	3,552,617	3,267,375	3,283,311	3,320,215	3,040,930
Fire	1,043,746	1,344,975	1,411,659	1,726,046	1,941,523	2,133,336	2,394,548	2,237,500	2,166,069
Public Works	371,506	2,801,034	2,894,576	1,506,543	651,629	94,711	507,198	110,630	278,545
Community Development	1,754,869	1,810,767	2,188,270	2,762,696	2,935,698	2,801,626	2,211,134	1,655,277	1,941,264
Economic Development	3,500,288	3,515,038	4,002,758	4,406,573	4,592,366	4,678,009	5,166,124	5,391,945	5,710,377
Culture and Recreation	851,002	831,788	1,009,439	944,071	1,026,208	1,198,485	1,090,816	1,192,418	1,212,118
Storm Water Utility	3,021,733	2,973,078	3,258,241	3,652,827	3,436,837	4,753,257	3,429,374	3,369,493	3,328,416
Other Activities	166,786	198,701	190,948	205,994	714,630	653,063	476,673	321,288	739,530
Operating Grants and Contributions	3,779,329	4,212,373	3,702,446	4,624,621	3,908,887	3,707,626	4,398,829	3,506,589	3,559,863
Capital Grants and Contributions	331,364	385,028	447,787	2,553,325	4,032,491	6,319,117	6,364,193	6,002,981	1,775,948
Total Governmental Activities Program Revenues	17,351,790	21,249,251	22,808,997	25,617,783	26,824,292	29,641,948	29,399,975	27,152,102	24,254,136



*Business-Type Activities:*

## Charges for Services:

Water	14,741,718	16,323,557	15,287,242	19,324,327	20,293,651	21,606,851	31,465,573	19,318,188	19,771,809
Waste	3,617,167	3,745,924	3,738,162	3,539,681	4,441,427	4,158,532	3,943,034	4,147,863	4,152,925
Alta Canyon	595,545	574,708	571,502	588,592	697,636	736,662	691,144	725,632	739,635
Golf Course	1,013,868	1,127,817	1,139,850	1,950,594	1,413,436	1,403,439	1,348,976	1,292,416	1,214,108
Capital Grants and Contributions	2,813,543	1,172,856	-0-	-0-	-0-	-0-	2,793,500	-0-	-0-
Total Business-Type Activities Program Revenues	22,781,841	22,944,862	20,736,756	25,403,194	26,846,150	27,905,484	40,242,227	25,484,099	25,878,477
<b>Total Primary Government Program Revenues</b>	<b>\$ 40,133,631</b>	<b>\$ 44,194,113</b>	<b>\$ 43,545,753</b>	<b>\$ 51,020,977</b>	<b>\$ 53,670,442</b>	<b>\$ 57,547,432</b>	<b>\$ 69,642,202</b>	<b>\$ 52,636,201</b>	<b>\$ 50,132,613</b>

**Net (Expense)/Revenue**

Governmental Activities	(23,868,502)	(23,628,070)	(23,522,121)	(21,876,901)	(21,625,407)	(36,799,536)	(37,859,038)	(31,859,533)	(29,149,966)
Business-Type Activities	7,116,694	6,944,974	1,908,556	3,252,364	3,485,965	4,591,669	15,360,739	2,738,239	1,973,222
<b>Total Primary Government Net Expense</b>	<b>\$ (16,751,808)</b>	<b>\$ (16,683,096)</b>	<b>\$ (21,613,565)</b>	<b>\$ (18,624,537)</b>	<b>\$ (18,139,442)</b>	<b>\$ (32,207,867)</b>	<b>\$ (22,498,299)</b>	<b>\$ (29,121,294)</b>	<b>\$ (27,176,744)</b>

**General Revenues and Other Changes in Net Assets***Governmental Activities:*

Taxes									
Property Taxes	\$ 7,088,504	\$ 7,323,101	\$ 7,262,922	\$ 7,350,178	\$ 7,455,228	\$ 7,538,275	\$ 7,600,153	\$ 7,690,136	\$ 7,667,234
Sales Taxes	14,569,744	15,161,445	15,857,517	17,681,709	19,286,918	19,746,002	17,109,760	16,064,881	15,703,214
Franchise Taxes	4,299,404	4,688,366	6,284,131	6,600,373	7,091,234	7,145,328	7,382,659	7,422,695	7,530,832
Motor Vehicle Tax	918,730	881,376	818,905	825,617	824,486	757,242	740,318	694,237	599,710
Transient Room Tax	-0-	-0-	-0-	-0-	-0-	2,710,280	2,007,787	1,903,278	2,008,594
Investment Earnings	873,325	410,215	709,066	1,472,455	2,104,210	1,872,278	949,654	335,580	229,272
Miscellaneous	1,454,708	1,712,431	1,737,769	2,904,375	887,525	1,835,190	1,338,921	1,653,758	1,861,931
Transfers	(334,187)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(203,894)
<b>Total Government Activities</b>	<b>28,870,228</b>	<b>30,026,934</b>	<b>32,520,310</b>	<b>36,684,707</b>	<b>37,499,601</b>	<b>41,454,595</b>	<b>36,979,252</b>	<b>35,614,565</b>	<b>35,396,893</b>

*Business-Type Activities:*

Taxes									
Property Taxes	273,683	292,996	290,752	291,608	354,469	362,227	358,714	358,777	366,822
Motor Vehicle Tax	38,578	41,551	37,835	38,424	50,017	40,583	42,234	38,925	33,002
Investment Earnings	228,749	159,507	327,089	665,480	943,093	858,769	450,997	81,708	105,647
Transfers	334,187	150,000	150,000	150,000	150,000	150,000	150,000	150,000	203,894
<b>Total Business-Type Activities</b>	<b>875,197</b>	<b>644,054</b>	<b>805,676</b>	<b>1,145,512</b>	<b>1,497,579</b>	<b>1,411,579</b>	<b>1,001,945</b>	<b>\$ 629,410</b>	<b>709,365</b>
<b>Total Primary Government</b>	<b>\$ 29,745,425</b>	<b>\$ 30,670,988</b>	<b>\$ 33,325,986</b>	<b>\$ 37,830,219</b>	<b>\$ 38,997,180</b>	<b>\$ 42,866,174</b>	<b>\$ 37,981,197</b>	<b>36,243,975</b>	<b>\$ 36,106,258</b>

**Changes in Net Assets**

Governmental Activities	5,001,726	6,398,864	8,998,189	14,807,806	15,874,194	4,655,059	(879,786)	3,755,032	6,246,927
Business-Type Activities	7,991,891	7,589,028	2,714,232	4,397,876	4,983,544	6,003,248	16,362,684	\$ 3,367,649	2,682,587
<b>Total Primary Government</b>	<b>\$ 12,993,617</b>	<b>\$ 13,987,892</b>	<b>\$ 11,712,421</b>	<b>\$ 19,205,682</b>	<b>\$ 20,857,738</b>	<b>\$ 10,658,307</b>	<b>\$ 15,482,898</b>	<b>\$ 7,122,681</b>	<b>\$ 8,929,514</b>

Note: The City did not gather this information prior to the implementation of GASB Statement 34 in 2003. As such a ten year history is not available.

**Sandy City**  
**Net Assets by Component**  
**Last Nine Fiscal Years Ended June 30**  
(Accrual Basis of Accounting)

	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011
<b>Governmental Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 316,319,735	\$ 322,769,699	\$ 326,487,853	\$ 337,682,449	\$ 352,748,948	\$ 352,072,052	\$ 352,803,926	\$ 360,090,012	\$ 373,212,418
Restricted	10,852,892	9,357,059	5,914,418	5,646,513	5,585,051	9,887,074	9,195,548	6,081,370	5,761,990
Unrestricted	23,216,521	24,661,254	33,383,930	37,259,435	38,037,945	39,245,504	38,325,370	37,908,495	31,352,396
Total Governmental Activities Net Assets	<u>\$ 350,389,148</u>	<u>\$ 356,788,012</u>	<u>\$ 365,786,201</u>	<u>\$ 380,588,397</u>	<u>\$ 396,371,944</u>	<u>\$ 401,204,630</u>	<u>\$ 400,324,844</u>	<u>\$ 404,079,877</u>	<u>\$ 410,326,804</u>
<b>Business Type Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 44,732,306	\$ 48,891,585	\$ 49,315,238	\$ 36,734,060	\$ 68,892,235	\$ 72,410,556	\$ 98,077,342	\$ 101,588,420	\$ 102,573,375
Restricted	1,489,397	223,136	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unrestricted	29,402,041	34,098,051	36,611,766	53,590,820	26,416,189	28,901,116	19,597,014	19,453,585	21,151,217
Total Business-Type Activities Net Assets	<u>\$ 75,623,744</u>	<u>\$ 83,212,772</u>	<u>\$ 85,927,004</u>	<u>\$ 90,324,880</u>	<u>\$ 95,308,424</u>	<u>\$ 101,311,672</u>	<u>\$ 117,674,356</u>	<u>\$ 121,042,005</u>	<u>\$ 123,724,592</u>
<b>Primary government</b>									
Invested in Capital Assets, Net of Related Debt	\$ 361,052,041	\$ 371,661,284	\$ 375,803,091	\$ 374,416,509	\$ 392,073,152	\$ 424,482,608	\$ 450,881,268	\$ 461,678,432	\$ 475,785,793
Restricted	12,342,289	9,580,195	5,914,418	5,646,513	5,407,424	9,887,074	9,195,548	6,081,370	5,761,990
Unrestricted	52,618,562	58,759,305	69,995,696	90,850,255	94,199,792	68,146,620	57,922,384	57,362,080	52,503,613
Total Primary Government Net Assets	<u>\$ 426,012,892</u>	<u>\$ 440,000,784</u>	<u>\$ 451,713,205</u>	<u>\$ 470,913,277</u>	<u>\$ 491,680,368</u>	<u>\$ 502,516,302</u>	<u>\$ 517,999,200</u>	<u>\$ 525,121,882</u>	<u>\$ 534,051,396</u>

Note: The City did not gather this information prior to the implementation of GASB Statement 34 in 2003. As such a ten year history is not available.

## Sandy City

### Government Activities Tax Revenues by Source

Last Ten Fiscal Years Ended June 30

(Accrual Basis of Accounting)

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Transient Room Tax</b>	<b>Total</b>
2002	\$ 7,039,466	\$ 14,740,321	\$ 4,501,770	\$ 867,215	\$ -0-	\$ 27,148,772
2003	7,088,504	14,569,744	4,299,404	918,730	-0-	26,876,382
2004	7,323,101	15,161,445	4,688,366	881,376	-0-	28,054,288
2005	7,262,922	15,857,517	6,284,131	818,905	-0-	30,223,475
2006	7,350,178	17,681,709	6,600,373	825,617	-0-	32,457,877
2007	7,455,228	19,286,918	7,091,234	824,486	-0-	34,657,866
2008	7,538,275	19,746,002	7,145,328	757,242	2,710,280	37,897,127
2009	7,600,153	17,109,760	7,382,659	740,318	2,007,787	34,840,677
2010	7,690,136	16,064,881	7,422,695	694,237	1,903,278	33,775,227
2011	7,667,234	15,703,214	7,530,832	599,710	2,008,594	33,509,584

Source: Sandy City Finance Department

# Sandy City

## Fund Balances of Governmental Funds

Last Ten Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Nonspendable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 177,627	\$ 156,328	\$ 2,450	\$ 29,943	\$ 39,935
Unassigned	3,939,277	4,089,891	4,154,891	4,154,891	4,897,087	5,522,615	5,546,417	5,296,574	5,075,335	5,161,277
Total General Fund	<u>\$ 3,939,277</u>	<u>\$ 4,089,891</u>	<u>\$ 4,154,891</u>	<u>\$ 4,154,891</u>	<u>\$ 4,897,087</u>	<u>\$ 5,700,242</u>	<u>\$ 5,702,745</u>	<u>\$ 5,299,024</u>	<u>\$ 5,105,278</u>	<u>\$ 5,201,212</u>
<b>All Other Governmental Funds</b>										
Restricted for:										
Debt Service	\$ 4,105,730	\$ 4,218,330	\$ 3,010,830	\$ 1,420,600	\$ 1,420,600	\$ 979,700	\$ 1,779,700	\$ 2,643,536	\$ 1,936,036	\$ 1,936,036
Capital Projects	3,392,020	5,153,891	5,082,959	3,516,808	3,751,658	4,117,807	7,804,211	6,475,937	3,499,553	3,019,997
Roads	1,299,106	1,480,671	1,263,270	977,010	474,255	309,917	146,835	73,625	615,838	766,022
Special Revenues	17,732,493	4,559,037	7,913,421	11,698,810	10,932,860	9,296,182	9,879,327	9,973,264	108,589,159	5,433,273
Committed:										
Debt Service	597,197	597,197	1,192,493	1,414,559	1,510,146	2,228,398	530,801	545,030	693,169	519,807
Capital Projects	10,037,598	10,037,598	6,904,519	9,952,490	12,876,762	13,143,871	15,264,035	14,158,370	13,346,424	10,767,802
Unassigned:										
Special Revenues	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	416,034
Total All Other Governmental Funds	<u>\$ 37,164,144</u>	<u>\$ 26,046,724</u>	<u>\$ 25,367,492</u>	<u>\$ 28,980,277</u>	<u>\$ 30,966,281</u>	<u>\$ 30,075,875</u>	<u>\$ 35,404,909</u>	<u>\$ 33,869,762</u>	<u>\$ 30,680,179</u>	<u>\$ 22,858,971</u>
<b>Total Governmental Funds</b>	<u>\$ 41,103,421</u>	<u>\$ 30,136,615</u>	<u>\$ 29,522,383</u>	<u>\$ 33,135,168</u>	<u>\$ 35,863,368</u>	<u>\$ 35,776,117</u>	<u>\$ 41,107,654</u>	<u>\$ 39,168,786</u>	<u>\$ 35,785,457</u>	<u>\$ 28,060,183</u>

# Sandy City

## Changes in Fund Balances of Governmental Funds

Last Nine Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

		Fiscal Year							
		2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Taxes	\$ 30,332,193	\$ 31,626,757	\$ 34,324,191	\$ 36,872,673	\$ 39,267,772	\$ 42,551,319	\$ 39,864,133	\$ 39,139,927	\$ 39,189,991
Special Assessments	395,235	994,215	988,511	904,929	345,358	351,841	352,505	324,601	262,565
Innkeeper Fees	167,963	178,730	194,291	231,569	268,062	309,467	309,967	332,317	351,766
Licenses and Permits	1,685,082	1,740,360	2,011,739	2,571,942	2,748,928	2,692,112	2,211,421	1,640,829	2,028,642
Inter-Governmental Revenue	3,993,322	4,449,925	3,974,374	5,202,115	5,342,008	8,337,754	9,189,553	8,531,708	5,885,430
Charges for Services	4,888,376	5,575,609	5,907,478	5,653,216	5,985,179	6,130,779	7,128,083	7,090,083	7,187,626
Administrative Charges	1,033,484	1,151,671	1,344,587	1,520,720	1,705,077	1,774,104	1,931,193	2,067,801	2,196,409
Fines and Forfeitures	2,352,612	2,661,801	2,587,126	2,615,913	3,070,564	2,939,116	2,938,223	2,712,266	2,516,732
Cell Tower Leases	131,356	138,426	153,555	160,432	123,977	171,149	170,459	169,523	1,243,522
Fees from Developers	595,913	223,197	611,407	2,069,176	1,398,039	1,256,316	982,877	358,813	703,758
Interest Income	873,327	410,214	709,067	1,472,455	2,104,221	1,872,279	949,655	335,580	200,376
Miscellaneous Revenues	850,933	720,761	1,555,347	2,132,228	809,866	1,500,977	567,331	1,110,224	716,359
Total Revenues	47,299,796	49,871,666	54,361,673	61,407,368	63,169,051	69,887,213	59,529,920	63,813,672	62,483,176
<b>Expenditures</b>									
General Government	7,120,587	7,271,840	7,616,861	8,019,303	8,280,534	9,131,780	8,782,313	8,720,439	8,490,429
Police and Animal Control	10,731,603	11,033,512	11,623,762	12,109,074	12,306,945	13,068,604	13,338,570	13,374,749	13,481,942
Fire	6,435,356	6,497,598	6,418,692	6,734,250	6,889,773	8,062,254	8,139,433	7,653,908	7,585,812
Public Works	4,691,872	4,990,014	4,773,677	5,111,617	5,311,469	7,705,849	5,630,273	5,631,198	5,746,856
Parks, Landscapes, and Cemetery	2,507,553	2,661,076	2,693,818	2,899,421	3,311,466	3,605,854	3,900,809	3,613,491	3,726,334
Community Development	2,010,190	2,029,435	2,037,419	2,293,498	2,400,364	2,538,091	2,496,381	2,517,420	2,397,468
Economic Development	894,759	1,033,553	1,342,373	2,505,894	1,775,785	16,682,595	901,072	931,740	1,380,628
Recreation and Cultural Events	1,478,515	1,329,247	1,483,375	1,514,284	1,936,972	2,205,304	2,202,290	2,243,145	2,189,093
Electric Utility	491,681	591,767	568,783	627,597	643,278	667,100	1,044,563	722,293	715,113
Storm Water Utility	887,804	1,096,292	1,201,137	1,097,871	1,284,352	1,667,288	1,630,536	1,384,627	1,387,313
Capital Outlays	17,473,410	8,207,410	3,926,828	8,166,646	13,094,816	35,162,622	24,100,489	19,707,318	14,159,196
Debt Service									
Principal	3,668,221	2,853,000	5,000,000	5,428,253	3,931,253	5,161,760	4,006,000	4,770,000	4,978,000
Interest	2,642,292	2,578,065	2,234,858	2,120,693	1,909,478	2,383,327	3,553,225	3,795,121	3,759,876
Other Charges	167,101	139,136	1,372,135	76,540	15,988	625,567	237,701	577,064	23,491
Total Expenditures	61,200,944	52,311,945	52,293,718	58,704,941	63,092,473	108,667,995	79,963,655	75,642,513	70,021,551
Excess of Revenues Over (Under) Expenditures	(13,901,148)	(2,440,279)	2,067,955	2,702,427	76,578	(38,780,782)	(20,433,735)	(11,828,841)	(7,538,375)
<b>Other Financing Sources (Uses)</b>									
Issuance of Debt	7,557,947	7,287,091	16,520,000	3,650,000	-0-	41,360,000	11,040,000	11,386,242	-0-
Redemption of Refunded Bonds	(5,140,703)	(5,525,000)	(4,180,000)	(3,670,000)	(3,251,000)	-0-	-0-	(4,180,000)	-0-
Bond Premium	-0-	-0-	857,599	90,798	-0-	282,793	-0-	357,751	-0-
Fees from Developers	-0-	210,003	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Income	-0-	1,304	-0-	-0-	-0-	-0-	7,120	-0-	-0-
Sale of Capital Assets	245,418	2,649	12,231	104,975	2,967,323	1,865,544	281,145	221,360	-0-
Transfers In	9,736,065	8,466,823	10,295,916	12,085,439	13,521,390	14,829,125	12,125,475	11,642,322	13,550,080
Transfers Out	(9,953,203)	(8,616,823)	(10,445,916)	(12,235,439)	(13,571,390)	(14,829,125)	(12,024,353)	(10,982,163)	(13,733,973)
Total Other Financing Sources (Uses)	2,445,524	1,826,047	13,059,830	25,773	(333,677)	43,508,337	11,429,387	8,445,512	(183,893)
Net Changes in Fund Balances	<u>\$ (11,455,624)</u>	<u>\$ (614,232)</u>	<u>\$ 15,127,785</u>	<u>\$ 2,728,200</u>	<u>\$ (257,099)</u>	<u>\$ 4,727,555</u>	<u>\$ (9,004,348)</u>	<u>\$ (3,383,329)</u>	<u>\$ (7,722,268)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>									
	14.3%	13.1%	15.0%	15.4%	11.9%	10.9%	10.9%	13.2%	14.8%

Note: The City did not gather this information prior to the implementation of GASB Statement 34 in 2003. As such a ten year history is not available.

## Sandy City

### General Government Tax Revenues by Source

Last Ten Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Total</b>
2002	\$ 6,746,658	\$ 14,740,321	\$ 4,501,770	\$ 867,215	\$ 26,855,964
2003	6,778,104	14,569,744	4,299,404	918,730	26,565,982
2004	7,103,637	15,161,445	4,688,366	881,376	27,834,824
2005	7,082,393	15,857,517	6,284,131	818,905	30,042,946
2006	7,075,103	17,681,709	6,600,373	825,617	32,182,802
2007	7,185,286	19,286,918	7,091,234	824,486	34,387,924
2008	7,233,667	19,746,002	7,145,328	757,242	34,882,239
2009	7,184,088	17,109,760	7,382,659	740,318	32,416,825
2010	7,369,288	16,064,881	7,422,695	694,237	31,551,101
2011	7,345,042	15,703,214	7,530,832	599,710	31,178,798

Source: Sandy City Finance Department

## Sandy City

### Water Fund Billed Sales and Monthly Rates

Last Ten Fiscal Years Ended June 30

Fiscal Year	Total Billed Sales	Sandy Rates		
		Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>
2002	\$ 12,850,841	\$ 13.51	\$ 1.48/0.80	\$ -0-
2003	13,118,786	14.39	1.58/0.87	-0-
2004	14,306,571	15.33	1.68/0.93	-0-
2005	14,178,536	16.33	1.79/0.99	1.35
2006	17,208,159	17.39	1.91/1.05	1.35
2007	18,647,355	18.52	2.03/1.12	1.35
2008	20,528,524	19.72	2.16/1.20	0.80
2009	19,691,999	21.00	2.30/1.27	0.80
2010	17,615,641	22.37	2.45/1.36	0.80
2011	18,352,811	22.37	2.45/1.36	0.80

Fiscal Year	Union Jordan Rates <sup>4</sup>			Salt Lake County Rates <sup>5</sup>		
	Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>	Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>
2002	\$ 18.22	1.48/0.82	\$ -0-	\$ 18.75	\$ 1.63/0.89	\$ -0-
2003	19.40	1.58/0.87	-0-	19.97	1.74/0.95	-0-
2004	20.66	1.68/0.93	-0-	21.27	1.85/1.01	-0-
2005	22.00	1.79/0.99	1.35	22.65	1.97/1.08	1.35
2006	23.43	1.91/1.05	1.35	24.12	2.10/1.15	1.35
2007	24.96	2.03/1.12	1.35	25.69	2.23/1.22	1.35
2008	26.58	2.16/1.20	0.80	27.36	2.38/1.30	0.80
2009	28.31	2.30/1.27	0.80	29.14	2.53/1.38	0.80
2010	N/A	N/A	N/A	31.04	2.70/1.47	0.80
2011	N/A	N/A	N/A	31.04	2.70/1.47	0.80

<sup>1</sup>Water Base rates are based on a 3/4" meter, which is the standard size meter for most residences in Sandy.

<sup>2</sup>The first amount is the overage rate per 1,000 gallons (usage above 8,000 gallons) during peak season (May-September), and the second amount is the overage rate during the non-peak season (October - April).

<sup>3</sup>The City began charging fluoride during fiscal year 2005.

<sup>4</sup>The City provided water service to the Union Jordan (Midvale) area until it was exchanged to Midvale City on June 1, 2009.

<sup>5</sup>The City provides water services for some unincorporated Salt Lake County areas within the City.

**Sandy City**  
**Principal Water Users**  
**June 30, 2011**

Taxpayer	2011			2003		
	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue
Canyons School District	\$ 795,680	1	4.335%			
Sandy City	716,704	2	3.905%	\$ 352,382	2	2.549%
LDS Church Welfare Square	421,054	3	2.294%	167,917	3	1.215%
SSR Western Multi-family LLC	150,592	4	0.821%			
IHC Health Services	99,868	5	0.544%	37,708	8	0.273%
The Quarry Bend HOA	88,139	6	0.480%			
Waterford School	75,921	7	0.414%	41,248	6	0.298%
Jordan Commons	75,864	8	0.413%	39,553	7	0.286%
Salt Lake County	74,698	9	0.407%	70,723	4	0.512%
The Villas at Hidden Creek	71,272	10	0.388%			
Jordan School District				394,800	1	2.856%
Promontory Point Apartments				42,947	5	0.311%
Archstone Communities				37,201	9	0.269%
Fair Meadows Apartments				36,085	10	0.261%
Totals	<u>\$ 2,569,792</u>		<u>14.001%</u>	<u>\$ 1,220,564</u>		<u>8.830%</u>

Note: The City did not gather this information prior to 2003. As such a ten year history is not available.

Source: Sandy City Finance Department



## Sandy City

### Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years Ended June 30

Fiscal Year	Real Property		Personal Property		Mines and Utilities	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Primary Residential	Other Property	Non Residential	Other Property					
2002	\$ 2,569,848,579	\$ 1,109,094,963	\$ 211,596,864	\$ 9,871,629	\$ 137,267,047	\$ 4,037,679,082	0.001960	\$ 6,161,254,606	65.53%
2003	2,736,492,162	1,116,677,816	216,897,300	9,455,672	114,450,137	4,193,973,087	0.001895	6,446,408,328	65.06%
2004	2,807,271,158	1,148,112,976	239,719,487	8,944,097	110,293,552	4,314,341,270	0.001890	6,635,180,654	65.02%
2005	2,944,551,884	1,200,902,970	230,145,834	7,376,833	99,646,666	4,482,624,187	0.001844	6,919,830,111	64.78%
2006	3,131,181,804	1,307,015,205	226,720,848	6,663,727	94,897,357	4,766,478,941	0.001757	7,349,103,358	64.86%
2007	3,596,375,124	1,621,628,690	246,526,132	6,165,738	97,311,677	5,568,007,361	0.001514	8,490,652,494	65.58%
2008	4,465,548,427	1,970,975,573	267,909,994	7,253,552	122,998,276	6,834,685,822	0.001252	10,433,398,227	65.51%
2009	4,728,106,187	2,228,315,771	290,039,374	7,097,872	101,356,149	7,354,915,353	0.001175	11,198,995,056	65.67%
2010	4,037,437,777	1,978,290,710	392,782,299	6,899,709	100,422,840	6,515,833,333	0.001356	10,029,836,144	64.96%
2011	3,999,225,823	1,944,429,862	397,400,579	6,466,814	102,078,080	6,449,601,158	0.001402	9,726,411,441	66.31%

Source: Salt Lake County Auditor and Salt Lake County Treasurer

<sup>1</sup>Property in the county is reassessed annually. Tax rates are per \$1 of assessed value.

**Sandy City**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years Ended June 30**

Fiscal Year	Sandy City				Overlapping <sup>1</sup> Rates					Total Direct and Overlapping Rates
	General Fund	Debt Service	Risk Management	Total City Millage	Salt Lake County	Canyons School District <sup>3</sup>	Jordan School District	Salt Lake County Library	Special Districts <sup>2</sup>	
2002	0.001790	0.000073	0.000097	0.001960	0.003025	0.000000	0.008424	0.000764	0.001390	0.007139
2003	0.001730	0.000071	0.000094	0.001895	0.002939	0.000000	0.008344	0.000744	0.001501	0.007079
2004	0.001725	0.000071	0.000094	0.001890	0.002868	0.000000	0.008366	0.000747	0.001728	0.007233
2005	0.001683	0.000069	0.000092	0.001844	0.002816	0.000000	0.008856	0.000733	0.001686	0.007079
2006	0.001603	0.000066	0.000088	0.001757	0.002682	0.000000	0.008655	0.000696	0.001751	0.015541
2007	0.001381	0.000057	0.000076	0.001514	0.002371	0.000000	0.007347	0.000617	0.001797	0.013646
2008	0.001142	0.000047	0.000063	0.001252	0.001994	0.000000	0.006617	0.000517	0.001551	0.005314
2009	0.001072	0.000044	0.000059	0.001175	0.001934	0.000000	0.006150	0.000492	0.001445	0.011196
2010	0.001237	0.000051	0.000068	0.001356	0.003466	0.005780	0.001400	0.000564	0.001730	0.013696
2011	0.001332	0.000000	0.000070	0.001402	0.002593	0.006540	0.001520	0.000583	0.001826	0.014464

Source: Salt Lake County Recorder's Office

<sup>1</sup>Overlapping rates are those of local and county governments that apply to property owners within Sandy City. Not all overlapping rates apply to all Sandy City property owners. The rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district.

<sup>2</sup>Includes South Salt Lake County Mosquito District, Salt Lake County Water District, Sandy Suburban Improvement District, and Central Utah Water District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.

<sup>3</sup>Canyons School District was created on July 1, 2009. Previously it was a part of Jordan School District.

**Sandy City**  
**Principal Property Taxpayers**  
**June 30, 2011**

Taxpayer	2010			2001		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Macerich Co.	\$ 138,667,100	1	1.89%	\$ 107,265,500	1	2.66%
Lawrence and Karen Miller	121,289,600	2	1.65%	90,261,250	2	2.24%
Utah Soccer Stadium Owner LLC	109,470,200	3	1.68%			
Ronald Raddon	88,215,196	4	1.20%			
The Boyer Company	48,168,300	5	0.65%	27,634,700	5	0.68%
Sandy INN, LLC	40,872,200	6	0.56%			
SSR Western Multifamily LLC	32,295,945	7	0.44%			
Magna Investment	31,905,400	8	0.43%	24,996,600	6	0.62%
KBS South Towne, LLC	31,093,500	9	0.42%			
Becton Dickinson and Company	28,707,000	10	0.39%			
Pacificorp				30,743,645	4	0.76%
Qwest Communications				38,223,141	3	0.95%
Mariemont Corp.				18,389,400	8	0.46%
Smith Food King				17,298,000	9	0.43%
Workers Compensation Fund				19,829,100	7	0.49%
Security Capital Pacific				16,853,245	10	0.42%
Totals	<u>\$ 670,684,441</u>		<u>9.31%</u>	<u>\$ 391,494,581</u>		<u>9.71%</u>

Note: Annual amounts are shown only for the top ten ranked taxpayers. Including the other amounts would skew the overall total and percentage for the top ten taxpayers.

Source: Utah State Tax Commission and Salt Lake County assessment records

**Sandy City**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years Ended June 30**

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<b>Fiscal Year</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2002	\$ 7,371,920	\$ 7,077,655	96.0%	\$ 286,688	\$ 7,364,343	99.9%
2003	7,421,348	7,113,298	95.8%	299,693	7,412,991	99.9%
2004	7,629,366	7,372,650	96.6%	228,767	7,601,417	99.6%
2005	7,703,715	7,474,696	97.0%	184,512	7,659,208	99.4%
2006	7,771,552	7,543,432	97.1%	160,338	7,703,770	99.1%
2007	7,812,874	7,597,445	97.2%	156,485	7,753,930	99.2%
2008	8,556,640	8,279,797	96.8%	141,627	8,421,424	98.4%
2009	8,642,026	8,274,611	95.7%	193,788	8,468,399	95.7%
2010	8,835,470	8,493,541	96.1%	160,331	8,653,872	97.9%
2011	8,919,879	8,615,314	96.6%	-0-	8,615,314	96.6%

Source: Sandy City Finance Department

# Sandy City

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years Ended June 30

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Tax Increment Bonds	Capital Leases	Contract Payable	Notes Payable
2002	\$ 5,735,000	\$ 41,340,000	\$ 1,975,000	\$ -0-	\$ 273,221	\$ -0-	\$ 2,140,000
2003	5,255,000	37,315,000	7,131,000	-0-	345,300	-0-	2,045,000
2004	4,750,000	37,245,000	6,653,000	-0-	262,413	-0-	1,945,000
2005	4,225,000	34,340,000	6,018,000	-0-	177,262	2,516,267	1,835,000
2006	3,650,000	30,740,000	5,363,000	-0-	89,812	2,013,014	1,720,000
2007	3,050,000	28,305,000	1,844,000	-0-	-0-	1,509,760	1,595,000
2008	2,425,000	67,185,000	1,567,000	-0-	-0-	-0-	1,325,000
2009	1,770,000	64,120,000	1,281,000	11,040,000	-0-	-0-	1,325,000
2010	1,090,000	67,686,242	981,000	11,040,000	-0-	-0-	1,175,000
2011	380,000	64,231,242	668,000	10,705,000	-0-	-0-	1,010,000

Fiscal Year	Business Activities		Total Primary Government	Percentage of Adjusted Gross Income <sup>1</sup>	Per Capita <sup>1</sup>
	Revenue Bonds	Contract Payable			
2002	\$ 7,585,000	\$ -0-	\$ 59,048,221	2.8%	\$ 658
2003	11,350,000	-0-	63,441,300	2.9%	679
2004	14,365,000	-0-	65,220,413	2.8%	704
2005	14,210,000	13,832,100	77,153,629	3.1%	834
2006	13,315,000	13,722,120	70,612,946	2.5%	751
2007	12,395,000	13,667,130	62,365,890	2.1%	653
2008	11,450,000	13,607,910	97,559,910	3.4%	1,015
2009	10,470,000	13,506,390	103,512,390	4.0%	1,071
2010	9,503,758	13,303,350	104,779,350	N/A	1,078
2011	9,013,758	13,091,850	99,099,850	N/A	1,132

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Demographic and Economic Statistics on page 144 for income and population data.

**Sandy City**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years Ended June 30**

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
2002	\$ 5,735,000	0.09%	\$ 64
2003	5,255,000	0.08%	56
2004	4,750,000	0.07%	51
2005	4,225,000	0.06%	46
2006	3,650,000	0.05%	39
2007	3,050,000	0.04%	32
2008	2,425,000	0.02%	25
2009	1,770,000	0.02%	18
2010	1,090,000	0.01%	11
2011	380,000	0.00%	4

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 135 for property value data.

<sup>2</sup>Population data can be found in the schedule of Demographic and Economic Statistics on page 144.

**Sandy City**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2011**

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>3</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt			
State of Utah	\$ 2,299,300,000	3.23%	\$ 74,267,390
CUWCD <sup>1</sup>	283,034,348	5.71%	16,161,261
Salt Lake County	245,950,000	8.72%	21,446,840
Jordan School District	81,035,200	40.80%	33,062,362
Sandy Suburban Improvement District	11,390,000	40.00%	4,556,000
Total Overlapping Debt	<u>\$ 2,920,709,548</u>		<u>\$ 149,493,853</u>
Total Overlapping Debt Less the State <sup>2</sup>			<u>75,226,463</u>
Sandy City Total Direct Debt			<u>76,994,242</u>
Total Direct and Overlapping Debt			<u>\$ 152,220,705</u>

Source: Lewis Young Robertson and Burningham, Inc

<sup>1</sup>Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the state issued under the Water Conservancy Act. By law CUWCD may levy a tax rate of up to .04 percent to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

<sup>2</sup>The state's general obligation debt is not included in overlapping debt because the state levies no property tax for the payment of general obligation bonds.

<sup>3</sup>Estimated percentage applicable is rounded to the nearest 100th percent.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**Sandy City**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years Ended June 30**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Debt Limit</u></b>										
General (4% Fair Cash Value) <sup>1</sup>	\$ 246,450,184	\$ 257,856,333	\$ 265,407,226	\$ 276,793,204	\$ 293,964,135	\$ 339,626,100	\$ 417,335,929	\$ 447,959,802	\$ 401,193,446	\$ 389,056,458
Water and Sewer (4% Fair Cash Value) <sup>1</sup>	246,450,184	257,856,333	265,407,226	276,793,204	293,964,134	339,626,100	417,335,929	447,959,802	401,193,446	389,056,458
Total 8% Debt Limit	492,900,368	515,712,666	530,814,452	553,586,408	587,928,269	679,252,200	834,671,858	895,919,604	802,386,892	778,112,916
 Total Net Debt Applicable to Limit	 5,735,000	 5,255,000	 4,750,000	 4,225,000	 3,650,000	 3,050,000	 2,425,000	 1,770,000	 1,090,000	 380,000
 Legal Debt Margin	 <u>\$ 487,165,368</u>	 <u>\$ 510,457,666</u>	 <u>\$ 526,064,452</u>	 <u>\$ 549,361,408</u>	 <u>\$ 584,278,269</u>	 <u>\$ 676,202,200</u>	 <u>\$ 832,246,858</u>	 <u>\$ 894,149,604</u>	 <u>\$ 801,296,892</u>	 <u>\$ 777,732,916</u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 1.164%	 1.019%	 0.895%	 0.763%	 0.621%	 0.449%	 0.291%	 0.198%	 0.136%	 0.049%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed Valuation:	
Primary Residential	\$ 4,035,225,744
All Other	2,414,375,414
Total Assessed Value	<u>\$ 6,449,601,158</u>
 Reasonable Fair Cash Value	 \$ 9,726,411,441
 Debt Limit (8% of Reasonable Fair Cash Value) <sup>1</sup>	 778,112,916
Debt Applicable to Limit:	
General Obligation Bonds	380,000
Less: Amount Set Aside for Repayment of General Obligation Debt	 -0-
Total Net Debt Applicable to Limit	<u>380,000</u>
Legal Debt Margin	<u><u>\$ 777,732,916</u></u>

Source: Salt Lake County Auditor's Office

<sup>1</sup>The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.



**Sandy City**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years Ended June 30**

Fiscal Year	Water Revenue Bonds						Sales Tax Revenue Bonds			
	Gross Operating Revenue	Less: Direct Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sales Tax Revenue Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2002	\$ 13,412,729	\$ 6,969,192	\$ 6,443,537	\$ 750,000	\$ 415,638	5.53	\$ 14,740,321	\$ -0-	\$ -0-	-0-
2003	13,461,630	7,875,154	5,586,476	785,000	377,637	4.81	14,569,744	480,000	589,290	13.63
2004	12,891,433	7,799,343	5,092,090	825,000	485,435	3.89	15,161,445	700,000	732,130	10.59
2005	14,337,428	9,816,244	4,521,184	-0-	405,900	11.14	15,857,517	3,165,000	1,565,293	3.35
2006	18,405,578	7,692,653	4,721,093	735,000	372,338	4.26	17,681,709	3,010,000	1,398,140	4.01
2007	19,551,109	8,117,143	4,448,802	755,000	353,713	4.01	19,286,918	1,945,000	1,324,021	5.90
2008	21,160,060	8,677,850	6,517,176	775,000	334,103	5.88	19,746,002	1,685,000	1,264,928	6.69
2009	20,209,881	9,824,572	17,296,443	800,000	311,931	15.56	17,109,760	1,770,000	1,204,271	5.75
2010	18,676,722	7,892,991	10,911,582	825,000	287,041	9.81	16,064,881	1,855,000	1,215,647	5.23
2011	19,485,952	8,281,865	11,204,087	295,000	268,803	19.87	15,703,214	2,225,000	1,337,150	4.41

Fiscal Year	Special Assessment Bonds				Motor Fuel Excise Tax Revenue Bonds				Transient Tax Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	B and C Road Fund Collections	Debt Service		Coverage	Transient Tax Revenue Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2002	\$ 250,879	\$ 110,000	\$ 152,880	0.95	\$ 2,839,583	\$ 1,465,000	\$ 600,146	1.38	\$ -0-	\$ -0-	\$ -0-	-0-
2003 <sup>1</sup>	-0-	120,000	146,005	-0-	3,028,933	1,530,000	532,994	1.47	-0-	-0-	-0-	-0-
2004	991,015	478,000	287,560	1.29	3,240,291	1,600,000	461,489	1.57	-0-	-0-	-0-	-0-
2005	986,961	635,000	276,603	1.08	2,828,925	595,000	251,564	3.34	-0-	-0-	-0-	-0-
2006	904,549	655,000	256,864	0.99	3,475,548	620,000	221,814	4.13	-0-	-0-	-0-	-0-
2007	344,658	268,000	94,166	0.38	3,183,289	655,000	190,814	3.76	-0-	-0-	-0-	-0-
2008	351,841	277,000	83,678	0.39	3,271,347	965,000	350,995	2.49	2,710,280	-0-	683,200	3.97
2009	352,405	286,000	72,203	0.39	2,837,290	1,015,000	390,344	2.02	2,007,787	460,000	1,696,776	0.93
2010	324,601	300,000	59,825	0.90	2,856,981	1,420,000	338,325	1.62	1,903,278	550,000	1,672,132	0.86
2011	262,565	313,000	103,534	0.63	2,956,603	775,000	268,150	2.83	2,008,594	650,000	1,642,852	0.88

Fiscal Year	Tax Increment Bonds			
	Tax Increment Collections	Debt Service		Coverage
		Principal	Interest	
2002	\$ -0-	\$ -0-	\$ -0-	-0-
2003	-0-	-0-	-0-	-0-
2004	-0-	-0-	-0-	-0-
2005	-0-	-0-	-0-	-0-
2006	-0-	-0-	-0-	-0-
2007	-0-	-0-	-0-	-0-
2008	-0-	-0-	-0-	-0-
2009	-0-	-0-	238,967	-0-
2010	-0-	-0-	534,336	-0-
2011	147,605	335,000	526,229	0.17

<sup>1</sup>The original bond was refunded with cash flow savings taken in the first and second year of refunding. Sufficient reserves existed to service debt. As such, no assessment was required as of year end. Additionally, two new SIDs were created with a payment date of December 15, 2003.

**Sandy City**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years Ended June 30**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Adjusted Gross Income<sup>3</sup></b>	<b>Per Capita Adjusted Gross Income<sup>3</sup></b>	<b>Median Age<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
2002	89,745	\$ 3,534,756,235	\$ 39,387	\$ 2,109,255,254	\$ 23,503	29.1	4.3%
2003	93,500	3,433,138,636	36,718.06	2,196,558,395	23,493	29.1	4.5%
2004	92,685	4,203,938,276	45,357.27	2,303,635,015	24,854	29.1	3.3%
2005 <sup>7</sup>	92,500	N/A	N/A	2,529,506,622	27,346	29.1	3.2%
2006	94,000	4,144,605,882	44,091.55	2,793,473,152	29,718	29.1	2.8%
2007	95,449	4,554,880,000	47,720.56	3,013,003,979	31,567	29.1	1.7%
2008	96,074	4,378,313,855	45,572.31	2,845,824,902	29,621	29.1	1.9%
2009	96,660	3,967,830,536	41,049.35	2,596,202,273	26,859	29.1	2.8%
2010 <sup>8</sup>	97,177	N/A	N/A	N/A	N/A	29.1	4.5%
2011 <sup>9</sup>	87,572	N/A	N/A	N/A	N/A	33.8	4.9%

<b>Fiscal Year</b>	<b>High School or Less<sup>2</sup></b>	<b>Some College/ Tech School<sup>2</sup></b>	<b>Two-Year College Degree<sup>2</sup></b>	<b>Bachelors Degree (4 yrs.)<sup>2</sup></b>	<b>Grad. School/ beyond 4 yr.<sup>2</sup></b>	<b>Refused to Answer<sup>2</sup></b>	<b>School Enrollment<sup>6</sup></b>
2002	15%	21%	10%	33%	19%	2%	23,959
2003	14%	25%	10%	31%	17%	3%	23,756
2004	12%	23%	13%	32%	18%	2%	23,143
2005 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	22,570
2006	14%	20%	12%	31%	20%	3%	22,365
2007	13%	17%	10%	38%	21%	1%	21,634
2008	13%	19%	13%	31%	23%	1%	21,484
2009	14%	25%	12%	28%	21%	0%	20,912
2010	13%	15%	12%	32%	25%	0%	20,618
2011 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	20,618

<sup>1</sup>Source: Sandy City Planning Division

<sup>2</sup>Source: Estimated using information received from the Dan Jones Survey

<sup>3</sup>Source: Utah State Tax Commission (Based on a calendar year)

<sup>4</sup>Source: Census Bureau (Based on 2000 and 2010 census)

<sup>5</sup>Source: The United States Bureau of Labor Statistics

<sup>6</sup>Source: Jordan School District/Canyons School District

<sup>7</sup>No Dan Jones Survey was conducted during fiscal years 2005 or 2011.

<sup>8</sup>Information from the Utah State Tax Commission was unavailable at the time of this report.

<sup>9</sup>2010 Census count was lower than projected.

**Sandy City**  
**Principal Employers**  
**Current Year and Five Years Ago**

<b>Employer</b>	<b>2011</b>			<b>2006</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Becton Dickinson	1,092	1	2.11%	980	3	1.94%
ACS Business Solutions	633	2	1.22%	3,527	1	6.99%
Sandy City Corporation	491	3	0.95%	517	5	1.02%
E Trade Financial	357	4	0.69%			
Harman Music Group Inc	355	5	0.69%	394	6	0.78%
Alta View Hospital	332	6	0.64%	332	7	0.66%
Workers Compensation Fund	320	7	0.62%			
WalMart	270	8	0.52%			
UCN Inc/INCONTACT	240	9	0.46%			
HealthSouth Rehabilitation	230	10	0.44%			
Macey's Grocery Store				284	9	0.56%
Aetna Behavioral Health				283	10	0.56%
Discover Financial Services				1,441	2	2.86%
Jordan Commons				600	4	1.19%
Meier and Frank #173				307	8	0.61%
Total	<u>4,320</u>		<u>8.34%</u>	<u>8,665</u>		<u>17.17%</u>

Note: Annual amounts are shown only for the top ten principal employers. Including the other amounts would skew the overall total and percentage for the top ten principal employers.

The City did not gather this information prior to 2006. As such a nine year history is not available.

Source: Sandy City Business License Division and The United States Bureau of Labor Statistics

**Sandy City**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years Ended June 30**

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Mayor	3.5	3.5	3.5	3.5	3.5	3.3	3.8	3.3	3.3	3.3
City Administrator	18.0	19.8	19.8	19.8	20.0	21.0	20.6	22.0	24.0	22.0
City Council	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City Attorney	8.6	8.0	8.0	8.6	9.6	10.4	9.6	10.0	10.0	10.0
Court Services	8.6	11.6	10.6	12.6	14.6	15.0	15.6	15.0	18.0	17.0
Finance and Information Services	24.3	26.4	27.4	27.4	28.4	29.6	29.9	30.0	31.0	28.0
Economic Development	2.4	2.4	1.9	2.9	2.9	2.9	2.7	3.8	4.0	2.0
Non-Departmental	1.0	1.8	1.8	1.8	1.8	2.8	2.8	2.5	2.8	3.8
Public Safety										
Police	113.1	116.6	116.1	116.6	140.6	138.0	142.6	144.0	147.0	136.0
Fire	75.0	79.0	76.0	77.0	77.0	75.0	78.0	69.0	75.0	75.0
Animal Services	6.0	6.0	5.0	8.0	8.0	8.0	8.0	7.0	9.0	8.0
Public Works	47.3	48.3	48.3	52.3	52.3	53.3	55.3	50.3	54.3	51.3
Parks and Recreation	24.3	25.3	27.3	28.8	29.3	31.0	31.1	30.0	35.0	32.0
Alta Canyon Sports Center	2.8	5.0	6.0	6.0	7.0	7.0	6.8	7.0	7.0	7.0
River Oaks Golf Course	6.0	6.0	6.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Community Events/ Sandy Arts Guild	2.0	2.0	3.0	3.0	3.0	4.0	5.0	4.0	4.0	4.0
Community Development	26.5	26.5	26.4	27.4	27.4	26.8	27.5	25.7	25.7	24.7
Utilities										
Water	35.7	37.2	37.2	39.2	40.2	39.4	39.2	36.2	39.9	39.9
Storm Water	9.2	10.2	11.2	12.2	13.2	13.4	15.2	14.7	16.2	15.2
Electric	1.2	2.2	3.2	3.2	3.2	3.2	3.2	3.2	3.0	3.0
<b>Total</b>	<b>418.5</b>	<b>440.8</b>	<b>441.7</b>	<b>458.3</b>	<b>490.0</b>	<b>493.1</b>	<b>505.9</b>	<b>486.7</b>	<b>518.2</b>	<b>491.2</b>

Source: Sandy City Payroll Division

**Sandy City**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years Ended June 30**

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Physical Arrests	4,175	4,420	4,339	3,980	4,253	4,374	4,700	4,474	4,239	5,136
Nonmoving Traffic Citations	1,834	888	1,742	1,928	4,165	4,130	4,469	4,344	4,370	5,545
Moving Traffic Citations	17,211	19,237	19,877	17,387	17,280	20,136	16,286	16,154	16,661	8,727
Fire										
Number of fire calls answered	1,811	2,184	2,063	1,558	1,845	1,661	1,637	1,865	1,670	1,623
Number of medical calls answered	3,501	3,559	3,502	4,075	3,842	3,542	4,502	5,202	5,011	5,095
Public Works										
Street resurfacing (miles)										
Overlays	8.26	8.43	4.65	1.67	2.87	3.52	4.24	2.55	2.99	5.75
Slurry	28.70	29.55	34.87	38.87	40.96	39.50	45.37	31.84	42.52	37.90
Potholes repaired	697	660	916	357	251	360	863	1,224	498	2,203
Sanitation										
Number of Garbage Cans per month	30,319	30,449	30,463	30,509	30,938	31,294	31,500	31,486	31,402	31,640
Number of Recycle Cans per month	22,778	23,011	23,166	23,202	23,413	23,576	23,659	23,716	23,750	23,481
Parks, recreation, and cemetery										
Number of program participants	19,107	19,870	13,650	14,315	15,154	15,281	17,447	18,284	18,323	18,813
Cemetery plots sold	31	43	26	52	84	62	66	71	43	35
Alta Canyon <sup>1</sup>										
Members	N/A	2,198	1,988	1,734	1,045	1,100	1,100	1,386	1,012	949
Class participants	N/A	86,091	99,133	96,236	87,718	92,704	98,933	96,656	71,278	73,503
Golf <sup>2</sup>										
Number of 18 hole rounds played	N/A	6,216	14,324	15,481	14,121	16,564	16,309	16,890	14,583	18,963
Number of 9 hole rounds played	N/A	11,375	24,471	26,335	28,328	30,512	29,276	29,807	23,216	24,211
Number of tournaments	N/A	5	21	28	24	50	59	86	51	64
Sandy Arts Guild <sup>3</sup>										
Number of tickets sold	N/A	N/A	N/A	29,634	22,500	30,612	32,899	31,670	32,895	27,278
Number of shows	12	8	10	13	13	15	25	23	40	37
Water										
New connections	220	159	185	220	375	382	332	120	70	90
Water main breaks	74	57	64	57	86	61	63	74	61	67
Average daily consumption (gallons)	29,055,890	23,033,589	21,493,638	21,688,435	25,607,989	26,170,833	24,805,833	22,984,167	21,774,167	21,917,500

<sup>1</sup>Alta Canyon Sports Center came under Sandy City's management on July 1, 2002.

<sup>2</sup>The River Oaks Golf Course was purchased on June 28, 2002.

<sup>3</sup>The Sandy Arts Guild, formally Sandy Amphitheater, opened on January 1, 2000. However, ticket sales information was not available prior to 2005.

Source: Various City Departments

**Sandy City**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years Ended June 30**

Function	Fiscal Year										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Substations	5	4	4	4	3	3	4	4	4	4	4
Vehicles and Motorcycles	N/A	N/A	N/A	N/A	N/A	135	137	144	149	154	148
Fire											
Fire Stations	4	5	5	5	5	5	5	5	5	5	5
Transport Fire Engines	-0-	4	4	4	4	4	7	7	7	7	5
Ladder Truck 100'	1	1	1	1	1	1	1	1	1	1	1
Telesquirt 50'	1	1	1	1	1	1	1	1	1	1	1
Ambulance	-0-	2	2	2	2	2	2	2	3	4	4
Training Towers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Public Works											
Streets (road miles)	287	289	291	301	304	305	306	303	303	304	304
Traffic Signals	24	26	27	29	30	30	34	34	35	36	36
Streetlights	N/A	N/A	N/A	N/A	N/A	6,740	6,822	7,074	7,130	7,404	7,394
Culture and Recreation											
Parks Acreage	211	213	219	220	220	232	251	299	301	310	310
Parks	30	30	30	30	31	31	23	25	27	29	29
Swimming Pools	-0-	-0-	1	1	1	1	1	1	1	1	1
Tennis Courts	27	27	30	30	30	30	30	30	30	30	30
18-Hole Golf Course	N/A	1	1	1	1	1	1	1	1	1	1
Water											
Water mains (miles)	446	446	452	477	443	443	447	452	418	419	420
Fire Hydrants	N/A	N/A	N/A	N/A	N/A	4,426	4,849	4,495	4,218	4,790	4,830
Maximum Daily Capacity											
(millions of gallons per day)	61.956	61.956	61.956	67.886	73.646	73.976	131.376	138.987	151.376	156.376	160.126
Storm Water Drains (miles)	N/A	N/A	N/A	N/A	N/A	152	172	179	180	180	182

Source: Various City Departments

**CITY OF SANDY, UTAH**  
**SINGLE AUDIT AND STATE LEGAL**  
**COMPLIANCE REPORTS**

**JUNE 30, 2011**

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BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, City Council and Management  
Sandy City, Utah

We have audited the basic financial statements of Sandy City, Utah (the City) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting.** Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters.** As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the Mayor and City Council, others within the City, the Utah State Auditor's Office, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and therefore, its distribution is not limited.

*Piercy Bowler Taylor & Kern*

December 20, 2011

P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Honorable Mayor, City Council and Management  
Sandy City, Utah

**Compliance.** We have audited Sandy City, Utah's (the City) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2011. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2011.

**Internal Control over Compliance.** Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.



Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

**Schedule of Expenditures of Federal Awards.** We have audited the financial statements of the governmental activities, business- type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended June 30, 2011, and have issued our report thereon dated December 20, 2011. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the City's management, the Mayor and City Council, others within the City, the Utah State Auditor's Office, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.

*Piercy Bowler Taylor & Kern*

December 20, 2011

CITY OF SANDY, UTAH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2011

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program Expenditures
<b>U.S. Department of Housing and Urban Development (HUD)</b>			
<b>Direct Program</b>			
Community Development Block Grant	14.218	B-09-MC-49-0005	\$ 155,066
Community Development Block Grant	14.218	B-09-MY-49-0005	11,073
Community Development Block Grant	14.218	B-10-MC-49-0005	255,597
Total U.S. Department of HUD			<u>421,736</u>
<b>U.S. Department of Justice</b>			
Edward Byrne Justice Assistance Grant Program	16.738	2009-SB-B9-1411	23,551
Edward Byrne Justice Assistance Grant Program	16.738	2009-DJ-BX-0246	15,309
Edward Byrne Justice Assistance Grant Program	16.738	2010-DJ-BX-0650	20,499
COPS Technology Program	16.738	2010-CK-WX-0556	87,995
Children at Risk Intervention Program	16.541	2008-JL-FX-0091	141,104
Bulletproof Vest Partnership Program	16.607	2009BUBX08044990	869
Bulletproof Vest Partnership Program	16.607	1121-235	2,456
Pass-Through State Office of Crime Victim Reparations			
Victim Assistance	16.575	10-VOCA-49	40,983
Total U.S. Department of Justice			<u>332,766</u>
<b>U.S. Department of Energy</b>			
ARRA Energy Grant	81.128	DE-SC0002426	659,709
Total U.S. Department of Energy			<u>659,709</u>
<b>U.S. Environmental Protection Agency</b>			
Water Infrastructure 9000 South Outfall Line	66.606	XP-97845701-0	962,200
Total U.S. Environmental Protection Agency			<u>962,200</u>
<b>U.S. Department of Homeland Security</b>			
Pass-Through State Division of Emergency Services and Homeland Security			
FY2009 State Homeland Security Program	97.073		17,650
FY2009 State Homeland Security Program	97.073		10,662
Emergency Management Performance Grant	20.703	2010-LEPC-SANDY CITY	3,200
Emergency Management Performance Grant	97.042	EMPG-2010-HLS-047	7,250
Emergency Management Performance Grant	97.042	EMPG-2011-DEM-047	7,250
Total U.S. Department of Homeland Security			<u>46,012</u>
<b>Total Federal Awards</b>			<u><u>\$ 2,422,423</u></u>

See notes to the Schedule of Expenditures of Federal Awards

## CITY OF SANDY, UTAH

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2011

1. General – The Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the City of Sandy, Utah. Federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included on the Schedule of Expenditures of Federal Awards.
2. Basis of Accounting – The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
3. Loan Guarantee Assistance pursuant to Section 108 of the Housing and Community Development Act – No new loans were made during the fiscal year ended June 30, 2011. The balance outstanding at June 30, 2011, was \$1,010,000.
4. Sub-recipients – The City provided \$129,099 to sub-recipients through the Community Development Block Grant for the year ended June 30, 2011.

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Sandy City, Utah

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011**

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**Section I - Summary of Auditors' Results:**

**Financial Statements:**

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements?	None reported

**Federal Awards:**

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	None reported

**Identification of major programs:**

CFDA Number	81.128
Name of Federal Program or Cluster	U.S. Department of Energy ARRA Energy Grant

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States	None reported
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Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)	None reported
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**P B T K**

**PIERCY BOWLER  
TAYLOR & KERN**

Certified Public Accountants  
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE IN ACCORDANCE  
WITH THE STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE**

Honorable Mayor, City Council and Management  
Sandy City, Utah

We have audited Sandy City, Utah's (the City) compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2011. The general compliance requirements applicable to the City are identified as follows:

Public Debt	Special Districts
Cash Management	B & C Road Funds
Purchasing Requirements	Other General Issues
Budgetary Compliance	Uniform Building Code Standards
Truth in Taxation & Property	Impact Fees
Tax Limitations	Asset Forfeiture
Liquor Law Enforcement	URS Compliance
Justice Courts	Fund Balance

The City received the following major assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

Compliance with the requirements referred to above is the responsibility of the City's management. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Utah Legal Compliance Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the major assistance programs or general compliance requirements identified above. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, Sandy City, Utah, complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended June 30, 2011.

This report is intended solely for the information and use of the City and the Office of the Utah State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

*Piercy Bowler Taylor & Kern*

December 20, 2011

**20th**  
ANNIVERSARY  
2010